

Thank you for the invitation to speak with you today. My name is Ryan Young, Legal Counsel for the Greenlining Institute's Environmental Equity program.

At the risk of repeating what my colleagues here have already said, I'll simply start by saying that we have done a great deal as a state to advance energy efficiency and curb our usage over the last few decades, but there's a lot more we need to do. We have to stop messing around and do better. If efficiency is our top priority resource, then let's put our money where our mouth is. We need to start thinking bigger, and fast.

One of the issues that's been raised here is that we don't have a clear road map for how we're going to achieve our climate change goals. We also don't necessarily have all the data we need, to identify the areas that still need work. First rule of engagement is know your enemy, or in this case know your challenge. We need to make sure our path forward is informed and driven by data. But we also need to make sure that we're looking for the right opportunities, and looking at them in the right way. This may very well mean taking a fresh look at how we decide what measures are "cost-effective" as well as what value we place on things like long-term energy savings, GHG reductions, and job creation.

What we need to look for are game changing opportunities. All the incentives out there, the rebates and the discounts and whatnot, they worked for some customers, obviously. But there are also a lot they didn't work for – why is that? Was it because the customer rents rather than owns? Was it because they couldn't afford the up front payment in order to get the rebate or the tax credit? Was it because their credit score got recently trashed by the recession and they couldn't get affordable financing? Was it because there is no affordable financing? Or was it that they just didn't know that help was out there?

When we look at our programs to determine how they can work better, we shouldn't start with the programs. We need to start with the people. California is one of the greenest states in the nation, and that green ethos is in all demographic groups, at least to a certain degree. Who hasn't made the investment yet? Who wants to but can't? *That's* who we need to design programs for.

We are already on our way with the recent expansion of Middle Income Direct Install, or MIDI, programs, but we can't stop there we also need to ensure that these targeted programs increase their funding as well as their program targets. If we are going to reach our AB 32 goals, we can't afford to leave anyone behind. In some cases, that may mean making substantial investments in customers that use a lot of electricity but can't afford to upgrade. We will never get there if we focus only on those for whom change comes easy.

Which leads to my second point. We have to look at this issue, and all the potential solutions, in the right way. We have aggressive and unprecedented climate change goals. These programs should be investments in reaching those goals. They will naturally come in the form of a benefit to individual customers, and different customers will get different benefits. But that is not the purpose of the programs. The purpose is to drastically reduce our emissions and our usage, and to make investments toward that end.

When it comes to investments, there's always some resistance, even with the best of intentions, to the idea of giving a financial benefit to any individual or family. While fiscal discipline is always important, especially when it's ratepayer money on the line, viewing the incentive as a subsidy is simply too narrow a view, and it's misaligned with the purpose of the incentive. I can't help but notice that programs like ESAP that are designed to help the poor are called subsidies, but programs like CSI that mostly help higher income families are called "incentives." Why is that??

The purpose of any of these incentives is to get us one step closer to achieving our climate change goals. We need to view them not as subsidies to individuals, but as investments in our greater good. That is, after all, the reason we have them. At a certain point, we're going to run out of early adopters, and our progress will slow down. We need to start making more substantial investments on behalf of the customers who are unable to do it themselves. If we decline to do so because we are afraid of giving an individual a benefit, we will fall short of our collective goals. And we will suffer the consequences, in the form of dirtier air, higher healthcare costs, and poorer quality of life.

Of course, the investments must be sound and economical, and they can't just be limited to appliance upgrades and weatherizing and

technical matters. They must also come with consumer education and energy awareness programs that actually work, which is the subject of a whole other hearing in and of itself. I will say that the use of trusted community based organizations has proven to be the most effective messengers and as such we should treat that as more than just a token effort. But above all let's start by calling them what they are – investments in a cleaner, greener California... investments that actually work for *all* Californians. Thank you.