

# Ask Cher-EE

## Advice for Healthy Long-Term Energy Efficiency Partnerships

Sure, we know some of you Cities are already shackled up with Investor Owned Utilities (IOUs), and we know how heady that can be. Later tonight you'll be sharing an expensive toast with the first of your grant money as you talk about the great things you'll do in your two years together. You'll be flushed with wine and excitement, and a feeling of truly doing a Good Thing for your Community.

We salute you and wish you all the best. We believe in Partnership. It can be Beautiful. Building a Life together deepens and broadens a healthy relationship.

We also know that the initial excitement inevitably wears off, and the work begins. That's really the best part, but that's when you want to be certain of the fundamentals — to justify the hard work that's needed for a long-term relationship.

**That's why Cher-EE created this checklist of what to look for — and what to look out for — in any long term EE partnership.** You don't have to read it today. But you might want to tuck it into the zipper compartment in your overnight bag, and pull it out when you have a quiet moment, after you sober up. Maybe tomorrow, maybe six months from now.

And don't worry, we'll be here, if you need to talk.

### Does your Partner seem to have a lot of secrets?

You'd think that anyone who planned to maximize the value of EE would want to know where distribution lines are strained and where the load is growing, so they could make the best use of resources. You'd think they'd be proud to tell you exactly how much and where they saved energy in the last few months and years. You'd think it would be easy, because they have access to everybody's bills.

IOUs consider all these things proprietary information. They won't tell the State, and they won't tell you.

### Caring or Conquest?

Did it seem like they were trying to win you with the lunches and limos, and snow you with the whirlwind trips to Aspen to “plan” your partnership?

Do they seem to be in an awfully big hurry to parade you around the 5<sup>th</sup> floor of the CPUC?

Were they intensely involved during the application process, but then inexplicably lost interest in your project after the first few months?

### Could your Partner be after Your Money?

It may seem like a sick joke, when cities are broker than broke. But IOUs are shameless. They'll shake down anybody. Take San Francisco's poorest neighborhood, Bayview Hunters Point, where PG&E is charging public housing tenants \$200-300 a month! Residents begged the company to bring more EE services to the neighborhood as part of their “partnership” with the City, but PG&E flatly refused. They're saving almost all \$16m of the Public Goods Charge money for their richest customers — their pals in downtown businesses. (The Public Goods Charge is a special charge everyone pays on their utility bill. It funds EE, renewable

energy and low income programs.) PG&E said they'd investigate those high bills in housing but it's been nine months and counting...

Do the IOUs neglect to tell you that they've been in a rage ever since the CPUC gave 20% of the Public Goods money to non-IOU EE providers? The CPUC did that because non-IOUs have no conflict of interest with EE and might do a better job. IOUs have cooked up a lot of little schemes over the last two years to get the money back. One of them is "partnering" with you. The scheme was for the CPUC to count your "partnership" as a non-IOU program, paid out of that 20% — and cut out the real non-IOUs.

**Do you get the feeling you're just one of many** and they aren't really very interested in who you are and what you care about? Recycling is great — for old refrigerators — but you might not want to stick around for reruns if they're just feeding you some old lines about how they care about your needs and they know what you like. How do they know? Do they ASK for your input? Do they LISTEN?

**How does your partner respond to requests or suggestions?**

- They are suddenly too busy to call you back
- They totally ignore you, as if you didn't say anything
- They belittle you, act like your suggestions are ridiculous
- They imply you're dumb or crazy
- They express outrage, accuse you of giving them a hard time
- They get angry, maybe even threaten to sue
- They may even threaten violence, such as dismantling their training center

These are danger signs. San Francisco citizens, City officials; public interest advocates, non-IOU EE providers — even the CPUC — have experienced this type of emotional blackmail when they tried to offer EE suggestions to IOUs.

**Who's the boss?** IOU's are a little old fashioned about this question. They are, period. End of story.

**Might your partner have a gambling addiction?**

We don't mean you should look for them in Vegas if they don't come around for a few days. (Though you might indeed find them there, fancy suits, pinky rings and all.)

We're referring to a bigger game than that. A few years ago IOUs and other energy companies got together and set up something called "deregulation." It means just what it says — they don't have to follow the rules.

Outlaws frequently have a romantic air of excitement and possibility. Americans, seem irresistibly attracted to them. But remember, if they don't want to follow somebody else's rules — they won't abide by yours either. And worse, they might draw you into their schemes as an accomplice.

IOUs pretend they're still the solid citizens old ladies could trust with their precious pennies. They say they're not the bad guys — it was those out of state energy companies that fleeced California — Enron, Duke, Dynegy, Reliant and Southern. Don't be fooled. California's IOUs are set up to play the same game other people's IOUs played here, with disastrous results for Cities everywhere.

**❑ Is your Baby a Big Spender?**

Some insecure people like to show off by spending a lot of money to get “the best “ of everything. This may be flattering during courtship — but when you’re sharing the family budget with such a partner, be prepared to see your joint account quickly drained of funds, with very little to show for it.

IOUs seem to gravitate towards more expensive EE measures, but sometimes, simpler is better. The money sure goes farther. For instance, why not just replace some of those old room air conditioners with more efficient models? Nothing fancy, but a welcome break for a lot of low and middle-income people! IOUs refuse to put such things in their budgets. They only want to install combination furnace/central air, even in coastal areas where A/C is rarely needed. Here’s the scam: if you change out a room A/C or old floor heater for a central system, you’ll use more electricity or gas than you did before, even if you get the “most efficient” one.

**❑ Does your Partner seem unusually friendly with some of its subcontractors?**

You’ll find that high price doesn’t always equal high quality. On the contrary, high priced contracts might actually be a sign of “sweetheart” relationships — where contractors are chosen even if they put in higher bids for less work. Yes, this is something you should be very alarmed about! It may or may not (you never know) indicate that they’re sleeping together, but any time your partner slips off to a Sonoma resort for a few days tete-a-tete with their measurement contractors, as they did in July, 2002 (all paid for out of family money), you can bet they weren’t counting light bulbs together — more likely they were counting how much more they could skim before you wise up and throw them all out on their ears.

**❑ Does your Partner seem unusually distant with other contractors?**

One IOU is notorious for keeping a distance from its contractors who actually do the work, so it can have deniability if anything goes wrong. That won’t help you, obviously, if your partner refuses to take responsibility for the work you plan together. You don’t want them to spend a lot of time preparing excuses, and setting up somebody they can blame. At worst, you could end up taking the fall, as a target of angry customers.

What you really want is for your partner to keep reasonably close to people who do the work — not to smother them, but to make sure they understand what’s expected and that they have what they need to get the job done. What you really want is for your partner to help them keep track of progress towards the goal, and make adjustments as needed or as new opportunities arise to make the program even better.

**❑ Is your partner overly litigious?**

Some people afflicted with boundary issues also have this problem. One way you can tell, obviously, is if they have a lot of lawyers. PG&E has several hundred in-house, and even more in outside firms. Now we know that you’re never planning to have a fight, but let’s say you did, and let’s say things got a little ugly — it sometimes happens in spite of the rosier beginnings. Do you want all those lawyers coming after you? Or protecting the company if you’re suing them?

**❑ Has your partner been through multiple bankruptcies in recent years?**

Does **Cher-EE** really need to tell you this is a danger sign? Darling, we know you're smitten, but if you aren't worried they'll drag you down with them, you certainly should be! It's happened before!!! Don't you remember?! That's one of the big reasons you're in the trouble you're in right now!

**❑ Does your partner keep running to Mommy and Daddy to bail them out?**

Ditto above. There's a slight difference. This shows a tendency towards manipulateness, which can certainly be annoying, but at least they still consider themselves members of the family so they might be reachable on some level. Multiple bankruptcies shows greater alienation, frankly bordering on sociopathic behavior.

**Communicate, Communicate, Communicate!**

There are some people who feel it's unromantic to communicate. We think it's a lot more unromantic to find out that that vague "investment" your partner described when they borrowed big bucks from your mother actually went to an offshore account — and from there may have found its way to a variety of enterprises of questionable legality connected with energy infrastructure in Indonesia, India, Nigeria or Bolivia that forced indigenous people out of their homes and left them to die — and may have returned to the US to finance one of the trading scams in the energy crisis, like that one that caused congestion on Path 15 and resulted in the San Jose blackout during the heat wave of June 2002 that killed your favorite aunt... How would you feel then?

Wouldn't it have been better to spend that money as you wanted to do — insulating attics so that your aunt would stay cooler in summer and warmer in winter? Yes, you would have had to communicate, and right then, your partner had that dark, "don't come near me if you know what's good for you" look, so you backed off.

Fine, in any relationship partners sometimes need space, need to be able work things out in their own minds first, rather than be forced to expose themselves to criticism. **Cher-EE's** not talking about shaming, blaming or gaming. We're talking about honest feedback, fair questions, and keeping an open mind.

But if you find your partner keeps shutting you down every time you want to talk, you need to look at that.

**❑ Does your partner talk endlessly about their "accomplishments"?**

Does your partner go on and on telling you how great they are? Pretend they're the only ones who can possibly do what they're doing? Do they frequently make fun of others or call them names? This can be intimidating. But stand your ground. *Don't put yourself down. Don't think you don't know anything about EE!*

You're the ones who really know what people in your cities want from EE. Chances are first and foremost, they want bill reductions, and they want to help the environment and reduce energy impacts on poor communities. But IOUs say they can't assure bill reductions from their EE programs, and refuse to report EE by neighborhood or City. Odd, isn't it?

Don't be alarmed if you answered Yes to most of these questions. **Cher-EE always says,** The truth is a little scary at first, but the first step in the right direction is to figure out where you are today. And the best news is you don't have to go far to get help.

Non-IOU EE experts have been right here all along. Read On, and then Take Action!

### **There's a Big World out Here**

**Cher-EE's** not advocating back-door partnerships, but you can still smile and stay friends — and keep your eyes and ears open for news from the Other Side. You never know, you might want a different sort of partner next time. People grow and change.

### **Why partner with an IOU when you can do so much better with non-IOU EE experts?**

**Cher-EE** wonders why a City would want to partner with an IOU when your businesses and residents can get so much more benefit from partnering with other Cities for economies of scale and hiring partnerships of non-IOU Energy Efficiency experts to do your EE work (and how about some wind & solar too? IOUs put up such resistance to that!)

### **Non-IOU EE providers are the Real Experts**

For the longest time, EE budgets were considered the property of the IOUs. In a tiresome little dance, the CPUC would try to force the IOUs to spend the money, but at the end of the year, a big part of their EE budgets often remained unspent — even during the Energy Crisis! At least once a decade, they would just lay off a lot of their EE staff. People wondered why the CPUC kept IOUs in control of EE, since they obviously had a huge conflict of interest over “unselling” their main product.

The people who knew this story best were Non-IOU EE providers who did most of the work for utility programs. Many of them really care about EE and know everything there is to know about it, but had to work with IOUs because they were the only game in town. **Non-IOU EE providers focus on YOU. Helping You save energy is their only business.**

### **Community Choice means Real Innovation for a Low Price — Guaranteed!**

Your minority and low income populations are calling for you to close an old power plant that's polluting their neighborhood and give them solar instead — and on the other side of town, wealthy neighborhoods are demanding to get rid of unsightly overhead wires. Schools are begging for reliable lighting and heat, while developers are clamoring for new infrastructure. Businesses want efficient lighting for new offices, industries want updated equipment, agriculture is crying for efficient pumps – and on and on.

You might feel overwhelmed — but there are experts in the world who welcome such puzzles. You can become a Community Choice city (CCA, which stands for “Community Choice Aggregator”) and those experts will come to you and write you a guaranteed bid to solve all these problems — and then some. Sound hard to believe? You've been working with IOUs too long!

**Is your current partner willing to sit down with all your people and get everybody working together to find the least toxic, most efficient, least expensive way to solve your energy problems? If not, just declare yourself Community Choice, put out a Request for Proposals, sit back and let them come to you!**

### **If you're an enterprising City, you might want to look into Public Power**

With Public Power, you take over the whole system, including the wires (with Community Choice, the IOUs keep the grid and they still have some control over you). Take a look at the prices on the other side of this flyer, and you'll see in an instant why Public Power is so attractive. With power that cheap, you might be tempted to use more... But guess what, the best Public Power agency — in Sacramento — also has the best Energy Efficiency.

**Public Power means Benefits tailored to the needs of your community — NOT IOU stockholders**