

A.08-07-021

D.11-07-030

## **Concurrence of Mark J. Ferron on Item 47 (D.11-07-030) Third Decision Addressing Petition for Modification of Decision 09-09-047**

Colleagues:

Frankly, I am bewildered and a bit embarrassed by this decision. California has an extremely aggressive set of Energy Efficiency goals and we are lauded internationally for our leadership in this arena. Yet here we are in July 2011, voting on a decision concerning a portfolio at its mid-point - - one which started in January 2010 and concludes at the end of 2012. In my mind, these issues -- such as savings goals for custom programs and the incentive mechanism -- should have been resolved before this point.

ALJ Gamson has done an extremely commendable job navigating these complex issues and attempting to make sense of a process which has become over-engineered and in an environment which has grown nasty and poisonous. I will vote for this decision today, but as the assigned Commissioner on EE, I am actively reviewing all aspect of our EE program - - including the Utility incentives - - and intend to spend the next several months working through the details.

I want to see this process "fixed" so that the focus is on taking ACTION to improve Energy Efficiency, rather than to let it become a DISTRACTION where the emphasis is on creating the appearance of EE savings. At the same time, I am concerned that we as a Commission show regulatory consistency and avoid unnecessary market interruptions where programs are working well. I want to try to understand what we can do to improve this process so as to create the "best" outcome with the least amount of disruption from our regulatory process.

I am committed to our goals for Energy Efficiency but I am equally committed that we have a transparent and effective process which ensures that we leverage ratepayer money to create energy savings in a fair and efficient manner. I believe it is time for a fresh start - - at least in the attitudes of the parties involved.

Dated July 14, 2011 at San Francisco

/s/ Mark J. Ferron

Commissioner