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Jacqueline H. Baron

DATE: April 7, 1993
FROM: Gary L. Groesch, Executive Director
Karen F. Wimpelberg, President
TO: Eli Segal
Office of National Service
White House
Washington, D.C. 20500
RE: Critique of VISTA program versus Delta Service Corp
from a small, non-profit perspective

The Alliance for Affordable Energy is a local, non-profit, 501(c)3 organization with a budget of under \$100,000, 400 members, a staff of three, and numerous volunteers and pro bono support mechanisms. The Alliance has been extraordinarily successful as a "watchdog" of energy policy and educator on energy issues considering its relatively small size (see attached descriptions of the Alliance.)

As part of our work, the Alliance is constantly looking for resources and labor from various private industry sources, universities, and federal/state programs. Throughout our 7 years of existence, the Alliance has been able to utilize about 10 persons who would fall into these categories.

In 1989 our development director first applied for help with the VISTA program. Fortunately, he was familiar with VISTA from a previous job. This seemed a necessary requisite because the VISTA application process was complex, frustrating and time consuming. After nearly a two year process (once VISTA lost our application, forcing us to reapply), VISTA granted us 4 slots of which we elected to use only two. Moreover, after utilizing these VISTA's for one year, the Alliance elected to drop the program even though we could have renewed for several more years.

The reasons for our decision were:

- I. VISTA has placed all of its power into the hands of state bureaucrats without apparent oversight or appellate process.
 - A. VISTA guidelines were voluminous and difficult to interpret.
 - B. The state bureaucracy of VISTA was ponderous, mistrustful, and unhelpful.
 1. The ultimate arbiters of the guidelines were the state bureaucrats from which there seemed no appeal--even when the written VISTA guidelines clearly contradicted the bureaucrats interpretation.
 2. Even though we were very careful to not contradict even

- "bureaucrat" guidelines (much less actual VISTA rule), the Alliance was subjected to insinuations that we were using the VISTA volunteers improperly.
3. The attitude of the state VISTA bureaucrats was unhelpful towards first time users of the VISTA system.
 4. The monthly reports were burdensome to staff, primarily because the state VISTA bureaucrats were unhelpful in "walking" us through the first few months but, secondarily, because the reports required such a rigid format.
- II. VISTA's rules were too rigid to be helpful to a small, non-profit that must, at times, respond rapidly to changing circumstances.
1. The VISTA rules were written so that volunteers always had to maintain a "never be seen" attitude.
 2. VISTA rules did not allow enough flexibility to change the workplans of the volunteers, instead they preferred slavish focus on predetermined goals.
- III. Getting volunteers into the office and working was a real bag of tricks.
1. The pool of local volunteers for VISTA was very small, and because getting a national VISTA was dependent on getting a local VISTA, we were almost put into the position of recruiting for VISTA--a task that the state bureaucrats should have performed.
 2. The first local volunteer was not adequate for the job and had been inadequate in other VISTA programs, we later found out, and we were required to document her poor performance in order to get her replaced. A first time sponsoring organization should not be put into a situation in which it must document the poor performance of a previously acknowledged poor performer. She should have been eliminated by the state VISTA office before she came to us.
 3. The amount of trouble that we had in filling one good local spot so that we could get a national volunteer made us relinquish our option for the remaining two volunteers that we had been assigned.
- IV. Arbitrary decisions of state VISTA bureaucrats can cost sponsoring organizations hundreds--if not thousands--of dollars.
1. The two VISTA volunteers assigned to the Alliance asked to travel to Washington, D.C. in order to attend a conference on low-income energy issues.
 2. The Alliance obtained written permission from state VISTA bureaucrats approving this travel expense.
 3. The Alliance purchased the airline tickets, booked space in a Washington hotel, and paid the conference registration fees.
 4. Less than a week before the date of departure, the state bureaucrats retracted their permission to travel.
 5. The Alliance required the state VISTA to pay all cost incurred up to that point--incredibly, the state VISTA bureaucrats refused.
 6. The Alliance went ahead and sent the volunteers because otherwise the tickets, hotel bookings, and conference fees would have been a complete loss of over \$600.
 7. The Alliance appealed the decision of the state VISTA bureaucrats to Washington,

D.C. in the first quarter of 1992--so far, there has been no decision or money forthcoming from VISTA.

8. Indeed, there has been no response at all.
9. The Alliance terminated its VISTA project in October, 1992.

Obviously, it was a difficult organizational decision to once again attempt to utilize a federal program volunteer--this time, the Delta Service Corps. Because we are a relatively new DSC sponsor (one volunteer for two months), it is perhaps too soon to make an adequate evaluation. Nonetheless, there are several points concerning DSC that could be made:

- I. The DSC system of assigning volunteers was more "hassle-free" than the VISTA counterpart.
- II. The local contact is very helpful and understanding of our mission.
- III. The paperwork seems less strenuous.
- IV. DSC does not seem to mistrust us; in fact, DSC asked us to apply!



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ABOUT THE ALLIANCE FOR AFFORDABLE ENERGY

The Alliance for Affordable Energy is a non-profit, public-interest, membership organization in Louisiana dedicated to creating a fair, affordable, environmentally responsible community-based energy policy locally, regionally, and nationally. The Alliance was founded in 1985 by environmental, consumer, and civil rights advocates who had successfully worked together for over three years to reform utility regulation. Today, the Alliance serves New Orleans' 220,000 electric and gas rate payers, as well as rate payers throughout Louisiana, by promoting citizen participation in the decision-making process, conducting community education campaigns on energy issues, intervening in utility rate making cases and monitoring the public policy complexities of providing utility service.

Among its key accomplishments, the Alliance introduced Louisiana to the concept of least-cost energy planning which stresses energy efficiency and market-based utility resource planning. "For the better part of a decade, the Alliance has been in the forefront nationally in advocating and fashioning an innovative approach to least-cost utility planning.... The Alliance continues to show how least-cost planning and energy efficiency policies can lower utility bills, foster economic growth, advance community development, and generate jobs," said nationally recognized energy economist Charles Komanoff.

The Alliance for Affordable Energy:

- drafted and further negotiated the New Orleans Least-Cost Resource Planning Ordinance (14629 M.C.S.), creating the first and most comprehensive least-cost regulatory planning process in the region.
- commissioned world renowned energy expert Amory Lovins to conduct a study on the potential saving of least-cost energy planning in New Orleans.
- conducted the "Outreach Program on Least-Cost Energy Planning" which recently won national recognition.
- alerted the New Orleans community to the economic and environmental problems surrounding the Grand Gulf nuclear power plant while also developing realistic solutions.
- scaled back an 18% natural gas rate increase request while also achieving long term gas policy reforms.
- provided energy efficiency consulting for a variety of public and private entities. New Orleans Public Schools Superintendent Everett J. Williams credits the Alliance with providing the "the awareness of energy conservation."
- served on and provided research to the Louisiana Task Force on Global Warming, an official interdepartmental state committee charged with developing policy initiatives regarding global warming and its impact on Louisiana.

As a membership organization, the Alliance provides services directly to its members through educational workshops, information updates and news alerts, publication of *Bright Ideas* quarterly newsletter, responses to questions about energy efficient products, and leadership training. The Alliance gives its members an opportunity to become involved in making a change and to be part of the movement for a fair utility policy.

Alliance for Affordable Energy

Major Activities and Accomplishments—April, 1992 - April, 1993

Least Cost Planning — New Orleans

In July 1991, the City of New Orleans (which constitutes its own utility regulatory jurisdiction, separate from the Louisiana Public Service Commission) adopted a comprehensive Least-Cost Resource Planning ordinance, making it the first utility regulatory authority in the Deep South to adopt a full-featured integrated resource planning process. The ordinance was originally drafted by the Alliance for Affordable Energy and was perfected through a negotiation process including the utilities, the regulators and the Alliance. These cutting edge regulations borrowed from the most successful approaches in the nations, while adding some important new features that have since been adopted elsewhere. Because of the negotiated nature of the ordinance, a collaborative working group process was largely in place from the inception and was well underway by April of 1992. Up until that time, the collaborative had made rapid progress on resolving some of the most difficult policy issues such as resource screening criteria, quantification of external environmental costs, avoided cost principles, and cost recovery mechanisms; and a first pilot program had been developed in detail. Since April, the Alliance has continued to participate actively in the collaborative; however very little progress was made after the regulator did not act on recommendations and the utility neglected to consult with the collaborative on the specifics of its first least cost plan which was filed on December 1, 1992. In February 1993, the Alliance intervened in the regulatory proceeding after determining that the plan as filed is flawed.

Throughout this period, the Alliance has continued to carry out a community based educational outreach campaign on least cost planning. The campaign received recognition in *Energy Education on the Move: A National Energy Education Survey and Case Studies of Outstanding Programs*.

Least Cost Planning — Louisiana

Resulting from the Alliance's activities, the Louisiana Public Service Commission initiated a series of hearings concerning statewide least cost planning. The Alliance provided testimony twice and proposed comprehensive least cost planning guidelines based closely on the New Orleans regulations. While the LPSC has not moved toward adopting LCP guidelines, Louisiana Power and Light filed a least cost plan with the LPSC at the same time it and its sister company, New Orleans Public Service Inc., filed a plan with the New Orleans City Council. The Alliance subsequently intervened at the LPSC.

Natural Gas Regulation

The Alliance actively challenged a request by NOPSI for an immediate 18% increase in natural gas bills. A settlement was eventually reached which scaled the increase back to an 8.8% spread out over two years. The Alliance was also able to achieve some long term policy reforms as part of the settlement.

Agrilectric Avoided Costs

The Alliance filed suit against the Louisiana Public Service Commission, Gulf States Utilities, and Agrilectric Power Partners, Ltd. on October 24, 1992, for allowing Agrilectric, an independent power producer, to skip out on a \$5.2 million debt to rate payers of Gulf States Utilities. In 1987, the LPSC approved a levelized avoided cost plan for Agrilectric, based on a projection of increasing avoided costs. In 1992, after projected avoided costs, upon which the levelization was based, failed to materialize, the LPSC secretly absolved Agrilectric of its debt.

Foreign Investments by Registered Holding Companies

In September 1992, the Alliance for Affordable Energy and Environmental Action jointly petitioned the Securities and Exchange Commission to reject the application of Entergy Corporation to purchase a power plant and electric distribution system in Argentina. The purchase of foreign power plants and facilities by a registered holding company was clearly prohibited by the Public Utility Holding Company Act. Within weeks of the filing of the petition, Sen. J. Bennett Johnston, acting upon the urging of Entergy Corporation, pushed through amendments to the omnibus national energy legislation package to weaken regulatory authority over investments in foreign utilities.

Proposed Merger of Entergy and Gulf States Utilities

The Alliance has raised a series of questions over the proposed merger of Entergy Corporation and Gulf States Utilities. If consummated, the merger would create the largest utility company in the U.S.—with assets of \$21 billion. The Alliance has developed a series of conditions, including provisions for least cost planning and consumer protections, which should be included in any merger. The Alliance is actively participating in the merger hearing at the Louisiana PSC.

Energy Assurance Program

The Alliance is developing provisions for an Energy Assurance Program for the city of New Orleans which would provide direct benefits to low-income rate payers and would include an energy efficiency component.

Other Activities

As a membership organization, the Alliance provided services directly to its members through educational workshops, information updates and news alerts, publication of *Bright Ideas* quarterly newsletter, advice on questions about energy efficient practices, and leadership training designed to help citizens participate in the utility decision-making process. During the last year, the Alliance began a new long-range organizational planning process and has initiated a series of community service projects such as installing energy efficiency measures in 45 low income households in conjunction with the Christmas in October program.

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