

## PUBLIC UTILITIES COMMISSION

05 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



July 20, 2012

Advice Letters 3309-G/4068-E

Brian K. Cherry  
Vice President, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, CA 94177

Email: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

Subject: PG&E's Advice Letter 3309-G/4068-E regarding Energy Efficiency Portfolio  
Funding Shifting

Dear Mr. Cherry:

The Energy Division has determined that PG&E's Advice Letter (AL) 3309-G/4068-E is in compliance with Decision (D.) 09-09-047 and the Assigned Commissioner Ruling Clarifying Fund Shifting Rules and Reporting Requirements issued in Rulemaking D. 09-11-014 on December 22, 2011 ("ACR").

PG&E filed AL 3309-G/4068-E on June 20, 2012 to request authorization to shift \$11 million in funds from its Residential Program into its New Construction (\$6 million) and Agricultural (\$5 million) programs. The funds will be used to augment the Savings By Design subprogram (New Construction Program) and the Advanced Pumping Efficiency subprogram (APEP) (Agricultural Program).

PG&E states that the SBD program requires \$6 million funds due to commitments made in 2009 and prior years, and ongoing demand for SBD incentives during 2010-2012. PG&E also states that the SBD program is cost effective. PG&E seeks \$5 million for the APEP due to increased demand for the program following recent program improvements.

With budgets of \$39 million and \$55 million, these fund shifts exceed the 15% limit per statewide program, and thus require Energy Division review and approval in accordance with the above mentioned decision and ruling. PG&E states that reduced demand for Home Energy Efficiency Rebate (HEER) and CFL incentives in its Residential Program ensures that funds are available for this shift.

No protests were filed on this advice letter.

Energy Division approves these fund shifts as reasonable, effective July 20, 2012.

Please contact Cathy Fogel of the Energy Division staff at 415-703-1809 ([cfl@cpuc.ca.gov](mailto:cfl@cpuc.ca.gov)) if you have any questions.

Sincerely,

A handwritten signature in black ink, appearing to be "ER", with a long horizontal stroke extending to the right.

Edward Randolph  
Director, Energy Division  
California Public Utilities Commission

June 20, 2012

**Advice 3309-G/4068-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Request for Authority to Shift Energy Efficiency 2010-2012 Program Funds**

Pacific Gas and Electric Company ("PG&E") requests authority to shift funds between Energy Efficiency ("EE") programs within its approved 2010-2012 portfolio. This request is submitted pursuant to Decision ("D.") 09-09-047 and the *Assigned Commissioner Ruling Clarifying Fund Shifting Rules and Reporting Requirements* issued in Rulemaking 09-11-014 on December 22, 2011 ("ACR").

**Purpose**

This advice letter requests authority to shift funds between EE programs within PG&E's approved 2010-2012 portfolio in excess of the pre-authorized fund shifting levels. PG&E proposes to redirect available funds to programs that are cost-effective and are achieving participation and market adoption rates above what was originally anticipated for the 2010-2012 portfolio.

**Background**

In D.09-09-047, the Commission established fund shifting rules to provide the investor-owned utilities ("IOUs") with a level of flexibility to move funds between and among energy efficiency programs to respond to market conditions and customer needs. The fund shifting rules for the 2010-2012 program cycle are included in Section II, Rule 11, of the Energy Efficiency Policy Manual.<sup>1</sup> Commissioner Ferron updated certain aspects of the fund shifting; requirements in the ACR. The ACR provided additional clarity to the categories to use for fund shifting, the procedure for a request to deviate from the fund shifting requirements in D.09-09-047; and, the reporting requirements. D.09-09-047 directs the IOUs to "...file an Advice Letter for shifts of funds of more than 15% per annum within and between any of the twelve statewide energy efficiency programs, third-party programs, or governmental programs for the entire portfolio cycle." (Order Para. 43 b) This request is consistent with D.09-09-047 and with the procedures for fund shifting requests included in Attachment A to the ACR.

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<sup>1</sup> D.09-09-047, p. 308.

**Request for Approval**

To ensure continued funding of key Statewide Programs, PG&E proposes to shift funds from its Residential Program into its New Construction (\$6 million) and Agricultural (\$5 million) programs to ensure a continued high level of program performance in these sectors. Upon approval of this advice letter, PG&E will update its Program Implementation Plans ("PIPs") through the PIP Addendum process to reflect the changes in the budgets for the three affected programs.

**A. New Construction**

PG&E seeks authority to increase funding for the Statewide New Construction Program by \$6 million to continue the recent success of the Savings By Design (SBD) subprogram. The increased funding is necessary for committed projects from 2009 and prior program years that will be completed in this cycle as well as demand for 2010-2012 projects. PG&E would like to continue funding SBD without interruption because it provides cost effective savings and promotes levels of energy savings well beyond those in the building code. PG&E is pleased that some new construction projects, which were shelved during the economic downturn, are now starting to come to fruition. As the overall budget for New Construction is relatively small, at \$39 million, the resurgence in the SBD subprogram cannot be accommodated within the allowable 15% fund shifting limit. Hence, PG&E seeks authorization to exceed the 15% fund shift limit for this program.

**B. Agricultural Program**

PG&E seeks authority to increase funding for the Agricultural Program by \$5 million as a result of the recent success of the Advanced Pumping Efficiency Program (APEP). PG&E recently refined its APEP to better serve customers, and seeks to extend the subprogram through the remainder of 2012. Modifications to the subprogram have decreased the initial pump inspection incentive and increased the pump repair application incentive. These changes have promoted an increase in customer repairs and increased savings. The improved APEP design has substantially increased customer participation beyond the expectations at the start of the portfolio period and the original budget amount was depleted as of February 2012.

In 2011, PG&E shifted \$1.6 million into this cost-effective subprogram within authorized fund shifting limits, but the success of this subprogram merits an additional fund shift. The increased demand for APEP services is estimated to exceed available funding by \$5 million by the end of 2012. Because the overall budget for the Agricultural program is relatively small, at \$55 million for 3 years, the successful uptake in APEP cannot be accommodated within the 15% fund shifting level allowed for Agriculture. Hence, PG&E seeks authorization to exceed the 15% fund shift limit for this program.

**C. Sufficient Funds Are Available To Shift From The Residential Program.**

PG&E will fund the additional customer demand in its New Construction and Agricultural programs by shifting funds from the Residential Program. This funding requirement remains under the Commission authorized 15% threshold for fund shifting.

These funds are available to shift out of the Residential Program due to decreased manufacturing levels of certain efficient technologies, such as refrigerators, that are qualifying measures in the Home Energy Efficient Rebate (HEER) subprogram, a reduced emphasis on basic Compact Fluorescent Lights (CFLs) in the Upstream Lighting subprogram with increased focus on transforming the Light Emitted Diode (LED) market through the Advanced Lighting subprogram. The decreased manufacturing of goods eligible for rebates in the HEER subprogram has reduced the need for customer rebates and in turn lowered the budget necessary budget to successfully run the program. The Upstream Lighting subprogram has reduced expenses largely due to the continued reduction in program focus on CFLs in PG&E's portfolio. Accordingly, the fund shift out of the Residential Program is not expected to impact existing program operations.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, by facsimile or electronically, any of which must be received no later than **July 10, 2012**, which is 20 days after the date of this filing. Protests should be mailed to:

CPUC Energy Division  
Tariff Files, Room 4005  
DMS Branch  
505 Van Ness Avenue  
San Francisco, California 94102

Facsimile: (415) 703-2200  
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest also should be sent via U.S. mail (and by facsimile and electronically, if possible) to PG&E at the address shown below on the same date it is mailed or delivered to the Commission:

Brian K. Cherry  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177

Facsimile: (415) 973-6520  
E-mail: PGETariffs@pge.com

**Effective Date**

PG&E requests that this Tier 2 advice filing become effective on regular notice, **July 20, 2012**, which is 30 calendar days after the date of filing.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.09-11-014. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process\_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs>

Handwritten signature of Brian Cherry in cursive script, followed by the initials "/IG".

Vice President, Regulation and Rates

cc: Service List for R. 09-11-014

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

☒ ELC

☒ GAS

☐ PLC

☐ HEAT

☐ WATER

Contact Person: Igor Grinberg

Phone #: 415-973-8580

E-mail: ixg8@pge.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

☐

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3309-G/4068-E

Tier: 2

Subject of AL: Request for Authority to Shift Energy Efficiency 2010-2012 Program Funds

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.09-09-047

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: N/A

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: N/A

Resolution Required? ☐ Yes ☒ No

Requested effective date: July 20, 2012

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division

Tariff Files, Room 4005

DMS Branch

505 Van Ness Ave., San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulation and Rates

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Defense Energy Support Center	Norris & Wong Associates
Alcantar & Kahl LLP	Department of Water Resources	North America Power Partners
Ameresco	Dept of General Services	North Coast SolarResources
Anderson & Poole	Douglass & Liddell	Occidental Energy Marketing, Inc.
BART	Downey & Brand	OnGrid Solar
Barkovich & Yap, Inc.	Duke Energy	Praxair
Bartle Wells Associates	Economic Sciences Corporation	R. W. Beck & Associates
Bloomberg	Ellison Schneider & Harris LLP	RCS, Inc.
Bloomberg New Energy Finance	Foster Farms	Recurrent Energy
Boston Properties	G. A. Krause & Assoc.	SCD Energy Solutions
Braun Blaising McLaughlin, P.C.	GLJ Publications	SCE
Brookfield Renewable Power	GenOn Energy, Inc.	SMUD
CA Bldg Industry Association	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CLECA Law Office	Green Power Institute	San Francisco Public Utilities Commission
CSC Energy Services	Hanna & Morton	Seattle City Light
California Cotton Ginners & Growers Assn	Hitachi	Sempra Utilities
California Energy Commission	In House Energy	Sierra Pacific Power Company
California League of Food Processors	International Power Technology	Silicon Valley Power
California Public Utilities Commission	Intestate Gas Services, Inc.	Silo Energy LLC
Calpine	Lawrence Berkeley National Lab	Southern California Edison Company
Casner, Steve	Los Angeles Dept of Water & Power	Spark Energy, L.P.
Cenergy Power	Luce, Forward, Hamilton & Scripps LLP	Sun Light & Power
Center for Biological Diversity	MAC Lighting Consulting	Sunrun Inc.
Chris, King	MBMC, Inc.	Sunshine Design
City of Palo Alto	MRW & Associates	Sutherland, Asbill & Brennan
City of Palo Alto Utilities	Manatt Phelps Phillips	Tecogen, Inc.
City of San Jose	Marin Energy Authority	Tiger Natural Gas, Inc.
City of Santa Rosa	McKenzie & Associates	TransCanada
Clean Energy Fuels	Merced Irrigation District	Turlock Irrigation District
Clean Power	Modesto Irrigation District	United Cogen
Coast Economic Consulting	Morgan Stanley	Utility Cost Management
Commercial Energy	Morrison & Foerster	Utility Specialists
Consumer Federation of California	Morrison & Foerster LLP	Verizon
Crossborder Energy	NLine Energy, Inc.	Wellhead Electric Company
Davis Wright Tremaine LLP	NRG West	Western Manufactured Housing Communities Association (WMA)
Day Carter Murphy	NaturEner	eMeter Corporation