

PUBLIC UTILITIES COMMISSION

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**Revised**

September 17, 2013

Advice Letter PG&E 3356-G/4176-E

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

Subject: Disposition Approving Compliance Advice Letter Implementing PG&E's 2013-2014 Energy Efficiency Portfolio Pursuant to Decision 12-11-015.

Dear Mr. Cherry:

The Energy Division has determined that PG&E's Advice Letter (AL) 3356-G/4176-E, as modified in Supplemental AL 3356-G-A/4176-E-A, and Supplemental AL 3356-G-B/4176-E-B (collectively "Compliance AL"), filed pursuant to Ordering Paragraph (OP) 45 of Decision (D.) 12-11-015 (EE Decision), is approved and effective January 1, 2013. This new disposition is to correct the disposition sent on September 3, 2013 that incorrectly stated the update to the gas and electric net benefit split, which has been updated in this disposition.

Ordering Paragraph 45 required the Investor Owned Utilities to file advice letters to show compliance with Commission directives in the EE Decision. The EE Decision approved funding for PG&E's 2013-2014 Energy Efficiency Portfolio, with requested modifications for program budgets, program implementations plans (PIPs), and cost-effectiveness.

PG&E's Compliance AL requests approval to reallocate funds among programs to optimize its portfolio.¹ Specifically, PG&E seeks to utilize unspent funds from 2010-2012 to support committed projects in 2013-2014.

The Compliance AL also requests approval to credit, an estimated \$7 million of residual unspent, uncommitted funds, including interest from 2009 and prior years in 2014 rates.² The Compliance AL requests approval to update the electric and gas net benefit split from 84 percent electric and 16 percent gas to 82 percent electric and 18 percent gas.

Finally, the Compliance AL requests approval of all the updated PIPs.

¹ PG&E Compliance AL3356-G/4176-E, p 3.

² PG&E Supplemental AL3356-G/4176-E-A, p 5.

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The AL was timely filed as Tier 2 on January 14, 2013. TURN filed a protest on February 4, 2013. On February 11 2013, PG&E filed a reply to the protest. Upon review of the Compliance AL, Energy Division requested additional information. At the request of Energy Division, PG&E filed a Supplemental AL on April 23, 2013, and a second Supplemental AL on May 29, 2013. There were no protests on the supplemental filings.

Attachment 1 contains a detailed discussion of the protests, the reply to the protest and Energy Division's determination that the AL is compliant with the EE Decision. Attachment 2 provides a detailed quantitative analysis of PG&E's direct implementation non-incentive (DINI) costs, which TURN protested.

Please contact Nils Strindberg of the Energy Division staff at 415-703-5219 (ns2@cpuc.ca.gov) if you have any questions.

Sincerely,



Edward Randolph, Director
Energy Division

cc: Service List A.12-07-001 et al.
Shirley Wong, PG&E
Hayley Goodson, TURN
Simon Baker, Energy Division
Hazlyn Fortune, Energy Division



Attachment 1

Review and Analysis

I. Background

On January 14, 2013, PG&E submitted Advice Letter (AL) 3356-G/4176-E, to comply with OP 45 of the EE Decision, which states that PG&E:

“shall file [an] advice letter[s] in compliance with the directives in this decision no later than 60 days after this decision is issued, unless another date is specified herein for a specific program, in the format provided by Commission staff.”³

Energy Division reviewed Advice Letter (AL) 3356-G/4176-E, and the Program Implementation Plans (PIPs). On March 26, 2013, Energy Divisions requested changes to PIPs and additional supporting documentation to comply with the EE Decision. At the request of Energy Divisions, PG&E submitted Supplemental AL 3356-G-A/4176-E-A on April 23, 2013.

Energy Divisions reviewed the supplemental filing and on May 20, 2013 provided further direction to PG&E deemed necessary to bring the filing into compliance with the EE Decision. On May 29, 2013 PG&E submitted a second Supplemental AL 3356-G-B/4176-E-B. No additional requests for supplemental filings were made by Energy Divisions.

II. Party Protest, Comments and Reply Comments

TURN timely filed a protest on February 4, 2013. On February 11 2013, PG&E timely filed a reply to the protest.

TURN’s protest addressed the following areas: “(1) budget allocation to direct implementation non-incentive (DINI) costs; (2) changes to the budgets and cost-effectiveness calculations of Energy Upgrade California (EUC) program; (3) other budget changes for statewide residential programs, including but not limited to HVAC programs.”⁴

First, TURN claimed the PG&E’s proposed EE Portfolio did not meet the directive D.09-09-047 which established a target for the IOUs that no more than 20% of their EE Portfolio budget is associated with DINI costs. While TURN acknowledges this directive is a target and not a hard cap, according to their calculations PG&E directs 39.5% of their EE Portfolio budget to DINI costs, “falling woefully short of this (20%) target.” TURN agrees with the EE Decision⁵ that the Commission should further scrutinize this budget prior to the 2015 portfolio filings.

³ D.12-11-015, p 141.

⁴ TURN Protest, p.1.

⁵ D.12-11-015, p 98.

TURN also protested the reductions in the customer rebate budget for the Energy Upgrade California (EUC) program. TURN notes that they don't believe the customer rebate budget is large enough to meet PG&E's high participation scenario of 9,800 that the EE Decision which directs the IOUs to "meet or exceed."⁶ TURN acknowledged this target should also incorporate BayREN program activities, and recommended the Commission work this issue out in PG&E's April 1, 2013 Compliance Advice Letter for changes to EUC. TURN's protest also mentioned that all labor costs were included in the Total Resource Cost (TRC) calculation for EUC rather than incremental labor cost.

Finally, TURN protested the budget for the residential HVAC and the Energy Advisor subprograms. Specifically, TURN was concerned about a budget decrease to the residential HVAC programs given the Commission direction "to update their targets and focus on market transformation."⁷ TURN also found the addition of \$20 million of funds shifted into the Energy Advisor program as "incentives and rebates" troubling, as there was no mention of the program having rebates and incentives in the original PIPs. Finally, TURN asserted that despite a 40% increase in the budget for Energy Advisor, the GWh savings have decreased by 29% and that the program now fails the TRC and Program Administrator Cost (PAC) tests.

In PG&E's their response to the TURN protest, they claimed that TURN inaccurately calculated what programs should be included toward the 20% target for PG&E's DINI costs. PG&E claims that the numerator should not include non-resource programs, and the denominator should include PG&E's program budget. Furthermore, PG&E welcomes further guidance on this cost category as TURN also mentioned.

PG&E also maintains the proposed budget for EUC is sufficient to meet the target of 9,800 households in their high-participation scenario. PG&E asserts that TURN misinterpreted the direction in EE Decision with regard to labor costs and cost-effectiveness calculations, and notes that in the EE Decision, Conclusion of Law 58, clearly states, and "It would be incorrect to change the cost-effectiveness methodology for the EUC program to eliminate labor costs. Incremental labor costs may make sense to eliminate, but this proposal should be evaluated in R.09-11-014 or its successor."⁸

Finally, PG&E contends that they did not miscategorize "incentives and rebates" costs for the Energy Advisor program, and references the EE Policy manual which defines financial incentive as "Financial support (characterizing rebates, low interest loans, and free technical advice)⁹ that is provided to customers to motivate energy efficiency projects. PG&E concludes that audits and behavior programs are appropriate program costs in-line with technical advice. PG&E mentions that the Energy Advisor budget increase was consistent with Commission guidance to expand behavior based program activities, and accordingly they have increased Home Energy Reports to meet this requirement.

⁶ D.12-11-015, p 70-71.

⁷ D.12-11-015, P 76.

⁸ D.12-11-015, p124-125.

⁹ Energy Efficiency Policy Manual 4.0, Appendix B, p.6.

III. Discussion

20% Target for Non-Incentive Program Implementation Costs

In D.09-09-047, the Commission set a 20% target for applicable DINI costs subject to the target.¹⁰ Energy Divisions agrees with PG&E that TURN wrongly included all DINI costs towards the 20% target. Energy Divisions believes that the language in D.09-09-047 is clear that DINI costs for non-resource programs, as well as other exempt programs (such as codes and standards and financing) should not be included when calculating whether a utility is aligned with the target for DINI costs.

Energy Division finds that the following formula for determining the applicable DINI percentage is consistent with D. 09-09-047:

$$\frac{[\text{Total DINI cost, excluding REN and CCA programs}] - [\text{Exempt program DINI costs}]}{[\text{Total IOU budget, excluding REN and CCA programs}]}$$

Notes:

- REN and CCA programs are excluded because the IOUs do not manage and/or administer them.
- For PG&E's 2013-14 portfolio, programs exempt from the DINI costs target include non-resource programs or subprograms (i.e., Emerging Technologies, Workforce Education and Training, Lighting Market Transformation, local and statewide Integrated Demand Side Management, Continuous Energy Improvement, Strategic Energy Resources, and Ozone Laundry) and other exempt programs (i.e., Codes and Standards, and Finance programs).
- Government partnership and third-party programs budgets are included in both the numerator and denominator.
- Statewide ME&O budgets are included in the denominator. The 2013-14 statewide ME&O budget applications are pending in A.12-08-007 et al., therefore the IOUs' proposed budgets are used.

Energy Division's initial calculations indicated that PG&E's DINI costs were potentially as high as 30%, thus well beyond the 20% target. However, upon further examination with PG&E, PG&E pointed out that Energy Divisions had not included carry over costs from the previous cycle in the EE Portfolio budget total. PG&E also found that they had misclassified certain IT costs as DINI, when they should have been administrative costs. Finally, PG&E claimed that they had approximately \$14M in non-resource DINI costs embedded in Government Partnerships, which PG&E believes should be excluded from the DINI total. Energy Division agrees with PG&E that these costs should be excluded from the DINI target, and upon making these corrections, Energy Division found that PG&E's DINI costs came in at 26.1%. With these corrections, Energy Division finds PG&E's DINI target acceptable and in-line with the other IOUs. However, as directed in D.12-11-015, Energy Division will investigate the DINI cost category prior to the next portfolio filings. Energy Division strongly encourages PG&E to find ways to reduce their DINI costs to align closer to the 20% target.¹¹ Energy Division is aware that

¹⁰ D.09-09-047, p 74.

¹¹ D.12-11-015, p 98.

PG&E has identified opportunities to further reduce these costs, and we expected PG&E to implement these changes, as well as find additional savings opportunities.

Energy Upgrade California Program Budget and Requirements

The EE Decision is clear that the high participation scenario that the Commission directed did not include the Regional Energy Networks (RENs), and specifically says the targets “are understood to exclude Energy Upgrade California (EUC) participation targets for the RENs within the areas where RENs ultimately implement the EUC-modified Basic Path”.¹² Energy Division also commends PG&E for having ambitious targets for EUC and projecting more program uptake than all of the other IOUs combined.¹³

With PG&E budget for customer rebates filed in the Compliance AL, Energy Divisions agreed with TURN that the rebate budget was likely insufficient to meet customer uptake. However, in the Supplemental AL filed on April 23, 2013, PG&E increased their budget for EUC from \$25.7M to \$28.6M and the customer rebate budget from \$13.4M to \$16.4M. Energy Division recognizes that there is still a risk that the proposed rebate budget may fall short of meeting the 9,800 jobs target, especially if most of the program uptake is in the (generally has average rebates of over \$2,000) Advanced Home Upgrade. Additionally, PG&E has assured Energy Division staff that they will shift funds into EUC rebates if uptake is higher than they predict and funds devoted to customer rebates begin to run low. Thus Energy Division thinks that the budget for customer rebates that PG&E proposed in their Supplemental AL is likely sufficient to meet program demand.

TRC Calculation for Energy Upgrade California, all vs. incremental labor costs

Energy Division finds merit in PG&E’s reply to TURN on incremental labor costs as OP 24 of the EE Decision specifically notes, “Pacific Gas and Electric Company....shall not remove labor costs from the cost-effectiveness calculations for the Energy Upgrade California program.”¹⁴

Budget Changes to HVAC and Energy Advisor Program

Energy Division disagrees with TURN’s protest that that HVAC budget is insufficient or that Energy Advisor improperly includes budget dedicated for rebate and incentives. Staff compared PG&E’s Supplemental AL to the other IOUs and finds PG&E’s residential HVAC budget and program targets appropriate and the most robust of all the IOUs. Energy Division has no issue with the proposed budget changes for Energy Advisor and activities recommended within because PG&E Supplemental AL provided a more complete summary of its program offerings, as such the PIP now includes: planned comparative energy use reports, targeted household numbers, savings targets, budget, TRC and EM&V plans.

¹² D.12-11-015, p 70.

¹³ D. 12-11-015, p 71.

¹⁴ D.12-11-015, p 136.

April 23, 2013

Advice 3356-G-A/4176-E-A
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Supplemental: Compliance Advice Letter Implementing PG&E's
2013-2014 Energy Efficiency Portfolio Pursuant to Decision 12-11-
015**

Purpose

Pacific Gas and Electric Company (PG&E) hereby submits for filing its supplemental compliance advice letter (AL) for its 2013-2014 Energy Efficiency (EE) portfolio in accordance with Ordering Paragraph (OP) 45 of Decision (D.) 12-11-015 (EE Decision) and guidance from the California Public Utilities Commission (CPUC or Commission) Energy Division staff (Staff).

This supplemental AL supersedes PG&E's AL 3356-G/4176-E (initial AL) filed on January 14, 2013, in its entirety. PG&E has incorporated the programmatic and compliance details from its initial AL into this supplement AL along with budget, savings and programmatic revisions made in response to recent Staff guidance.

Documentation detailing required portfolio cost effectiveness, program implementation plans (PIPs), portfolio budget and savings, and other supporting tables are included in the Appendices A through D to this supplemental AL, respectively, and are available electronically at:

<http://apps.pge.com/regulation/search.aspx?caseID=828>.

Attachment 1 to this AL provides instructions for accessing the Appendices to this AL electronically, information on obtaining the Appendices in diskette format, and detailed information about the Appendices' contents.

Attachment 2 to this AL lists each requirement that was addressed in the initial AL, and incorporated herein, and the location in the AL and/or in the attached Appendices where the requirement is addressed.

Attachment 3 to this AL provides 2013-2014 Strategic Plan and Market Transformation Indicators filed in the initial AL and incorporated herein.

Attachment 4 to this AL provides a matrix of recent Staff guidance on items to address in the supplemental AL and the location in the AL and/or in the attached Appendices where the requirement is addressed.

Background

PG&E filed AL 3356-G/4176-E on January 14, 2013, in compliance with the EE Decision. The AL was suspended on February 5, 2013, to allow Staff more time to review the filing. This supplemental AL responds to Staff guidance provided in March and April 2013, and various discussions with Staff, the other Investor Owned Utilities (IOUs)¹ and the statewide program teams.

On April 2, 2013, the IOUs and Regional Energy Networks (RENs)² filed a Joint AL³ proposing the Enhanced Basic/Modified Flex⁴ Path Energy Upgrade California (EUC) Program in compliance with the EE Decision. The revisions to the Residential PIP filed in the EUC AL are incorporated in the Residential PIP provided in Appendix B.

Budget

The EE Decision (OP 40, Table 12) adopted a regulatory budget for PG&E's 2013-2014 EE programs of \$823.1 million for the two-year program cycle, including \$26.6 million for San Francisco Bay Area Regional Energy Network (BayREN) and \$4 million for Marin Energy Authority (MEA). The adopted budget is \$67 million less than PG&E's original request.⁵ PG&E's approved portfolio is shown in Table 1 below.⁶

¹ Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SCG).

² San Francisco Bay Area Regional Energy Network (BayREN) and Southern California Regional Energy Network (SoCalREN).

³ SDG&E AL 2468-E/2185-G, SCE AL 2876-E, SCG AL 4479-G, PG&E AL 3376-G/4207-E, BayREN AL 2, and SoCalREN AL 2.

⁴ Enhanced Basic/Modified Flex" Path is a placeholder until the new program name is selected.

⁵ D.12-11-015, Table 10 incorrectly shows PG&E's 2013-2014 EE program budget request at \$859.5 million plus Evaluation, Measurement and Verification (EM&V) for a total of \$893.9 million. The correct values should be \$825 million in program funds plus EM&V for a total of \$859.5 million.

⁶ The funding for BayREN and MEA is shown for reference as these amounts are funded by PG&E customers. The EE Decision also adopted integrated demand side management funding of \$6.5 million for demand response (see D.12-11-015, Table 12).

Table 1: PG&E Approved Portfolio Budget for 2013-2014 and Annualized (\$000)

	2013-2014 Total	Annual
Program Funds – PG&E	\$758,593	\$379,296.5
EM&V Funds	\$33,907	\$16,953.5
PG&E Program Total including EM&V	\$792,500	\$396,250
Program Funds – BayREN	\$26,568	\$13,284
Program Funds – MEA	\$4,015	\$2,007.5
Total PG&E EE Portfolio including BayREN and MEA	\$823,083	\$411,541.5

As illustrated in Table 2 below, PG&E proposes to reallocate funds among programs in order to optimize its portfolio to achieve greater energy savings, increase cost-effectiveness, and shift all downstream lighting back into the core programs through which they are expected to be delivered, as directed by Staff.

Specifically, PG&E proposes to increase its Statewide Residential Program budget by \$9.4 million to continue building on the success of its ongoing behavioral-based initiatives and launch additional residential programs and goals required by the EE Decision. These modifications include: (1) a new upstream Heating, Ventilation, and Air-Conditioning (HVAC) program; (2) expansion of the HVAC Quality Installation/Quality Maintenance (QI/QM) program; and (3) shifting downstream residential lighting out of the Statewide (SW) Lighting program, as directed by Staff.

Additionally, PG&E proposes to increase the Statewide Agricultural Program by \$1.9 million due to increased implementation costs to support introduction of new product offerings and to also shift downstream agricultural lighting out of the SW Lighting program. PG&E is also shifting \$11.7 million of downstream commercial lighting out of the SW Lighting program.

To offset these funding increases, PG&E proposes to reduce the budget for the Statewide Industrial Program by \$6.4 million and still expects to meet program goals.

Table 2: PG&E Total Proposed Energy Efficiency Budgets for 2013 and 2014 By Program (\$millions)⁷

Program	PG&E EE Decision Budget	PG&E Compliance Budget	Variance
Statewide Resource Programs			
Residential	\$105.1	\$114.5	\$9.4
Commercial	\$106.0	\$117.7	\$11.7
Industrial	\$40.9	\$34.5	(\$6.4)
Agricultural	\$33.0	\$34.9	\$1.9
Lighting	\$37.3	\$20.7	(\$16.6)
Codes and Standards	\$12.5	\$12.5	\$0
Financing	\$73.0	\$73.0	\$0
Subtotal Statewide Resource Programs	\$407.8	\$407.8	\$0
Local Resource Programs			
Third Party Programs (competitively bid)	\$174.5	\$174.5	\$0
Government Partnerships	\$139.5	\$139.5	\$0
Subtotal Local Resource Programs	\$314.0	\$314.0	\$0
Statewide Non-Resource			
Emerging Technologies	\$11.9	\$11.9	\$0
Workforce, Education, and Training	\$23.6	\$23.6	\$0
Marketing, Education and Outreach*	-	-	-
Statewide Demand Side Management (DSM) Coordination and Integration	\$1.3	\$1.3	\$0
Subtotal Statewide Non-Resource Programs	\$36.8	\$36.8	\$0
Subtotal Utility Programs	\$758.6	\$758.6	\$0
Evaluation, Measurement, and Verification (EM&V)	\$33.9	\$33.9	\$0
PG&E PROGRAM TOTAL	\$792.5	\$792.5	\$0
BayREN	\$26.6	\$26.6	\$0
MEA	\$4.0	\$4.0	\$0
PG&E EE PORTFOLIO TOTAL	\$823.1	\$823.1	\$0

*The statewide ME&O budget will be approved in a separate Commission proceeding, A.12-08-007 *et al.*

⁷ Table includes rounding. See attachments for exact numbers.

PG&E's proposed program budget above includes a total of over \$185 million for competitively-bid third-party implemented programs,⁸ which represents over 23 percent of PG&E's total program budget, and exceeds the 20 percent requirement for competitively bid programs.⁹

PG&E's program budget proposed in this AL meets the 10 percent IOU administrative cap,¹⁰ 6 percent local marketing cap, 4 percent EM&V cap previously adopted in D.09-09-047 for the 2010-2012 EE portfolio cycle and continued in the EE Decision for the 2013-2014 cycle. During the 2010-2012 portfolio cycle, the IOUs reported progress against these caps and other targets on a quarterly basis and will continue this practice.¹¹

The budget workbook required by the EE Decision (p. 107), as revised by recent Staff guidance, is provided in Appendix C.¹²

2009 and Prior Years Unspent Funds

In accordance with the EE Decision, PG&E has applied a credit of \$68.3 million of unspent funds from 2009 and earlier years, including associated interest collected on those funds, to reduce the 2013 energy efficiency revenue requirement in gas and electric public purpose program (PPP) rates in its 2013 PPP Surcharge Advice 3337-G-A and 2013 Annual Electric True-up Advice 4096-E-A.¹³

PG&E requests authority in this AL to credit any residual unspent, uncommitted funds, including interest, from 2009 and prior years in 2014 rates.¹⁴

2010-2012 Unspent Funds and Commitments

PG&E has a number of projects for which funds were committed during the 2010-2012 program cycle but were not completed by the end of 2012. PG&E will utilize unspent funds from 2010-2012 to support these commitments. The EE Decision

⁸ This includes third parties that implement PG&E's statewide programs and PG&E's local third party programs. See Appendix D, Table 3.4 for a detailed breakout of competitively-bid third-party implemented programs.

⁹ D.12-11-015, p. 98.

¹⁰ See Appendix D, Table 4.3 for administrative cap calculation.

¹¹ PG&E's caps and targets are reported in the EE Quarterly Cap and Target Expenditure Performance report posted on Energy Efficiency Groupware Application (EEGA) at <http://eega.cpuc.ca.gov/>. As agreed with Energy Division, the IOUs will add the 20% competitively bid threshold for third party implementation to the quarterly report.

¹² See Appendix C.1 and C.3; the format used for this workbook was agreed to by Energy Division and the IOUs on December 20, 2012 and revised in response to more recent discussions with Staff on the presentation of carryover funds and commitments.

¹³ D.12-11-015, pp. 93-94.

¹⁴ The current residual unspent, uncommitted pre-2010 EE funds are approximately \$7 million.

authorizes the IOUs to carry over unspent funds from their 2010-2012 portfolios to pay for “committed” projects and contracts in 2013-2014.¹⁵

Appendix C.3 summarizes by program the 2010-2012 carryover funding and pipeline commitments for projects that PG&E expects will be completed during the 2013-2014 program cycle and beyond. The savings by program shown in Appendix C.2 includes 2013-2014 savings forecast for these commitments.

Goals

PG&E anticipates meeting or exceeding the Commission’s savings goals for 2013-2014. The goals in the EE Decision (OP 17) and PG&E’s forecasted savings from its compliance portfolio are shown in Table 3 below:

Table 3: PG&E Targets Compared to CPUC Goals

	CPUC 2013 Goals	PG&E 2013 Targets	CPUC 2014 Goals	PG&E 2014 Targets
Program Targets*				
Electric Savings (GWh/Year)	599	850	593	813.4
Peak Savings (MW)	114	160.4	100	160.1
Gas Savings with interactive effects (MMTherms/Year)	21.0	29.4	20.3	28.4
Codes and Standards Advocacy				
GWh/Year	254	254.1	239	238.8
MW	31	30.6	32	32.5
MMTherms/Year	0.07	0.07	0.55	0.55
Total Adopted Goals				
GWh/Year	853	1104.1	832	1052.2
MW	145	191	132	192.6
MMTherms/Year	21.1	29.5	20.9	28.9

*Program targets include Energy Savings Assistance Program savings.

Cost-Effectiveness

PG&E’s portfolio has a total resource cost (TRC) test of 1.26 and a program administrator cost (PAC) test of 1.86, including costs for BayREN and MEA, Codes

¹⁵ D.12-11-015, p. 95.

and Standards advocacy, and Statewide ME&O.¹⁶ The TRC and PAC exclude Emerging Technologies Program costs. (EE Decision, p. 53.)

As required by the EE Decision (OP 37), PG&E has applied a 5 percent default market effects adjustment in its portfolio cost-effectiveness analysis to account for program spillover. PG&E has also included utility energy efficiency personnel benefits burden costs in the total energy efficiency portfolio costs (OP 39) of \$30.89 million, which PG&E recovers in its General Rate Case.¹⁷

The required E3 calculators and savings workbook are provided in Appendices A and C, respectively.

Electric and Gas Net Benefit Split

PG&E's program portfolio proposed in this AL has a net benefit split between electric and gas of 82 percent and 18 percent, respectively. This is a revision from the 84 percent electric and 16 percent gas net benefit split for the portfolio filed in PG&E's application that was incorporated into the budgets and cost recovery approved in the EE Decision. The revised allocation would change the recovery of the total EE revenue requirement between electric and gas customers. Upon approval of this AL, PG&E will adjust the revenue requirements recorded in its EE balancing accounts to reflect the final new allocation between electric and gas customers.¹⁸ The adjustment will be reflected in rates through the next Annual Electric True-up and PPP Gas Surcharge advice letters.

The revised net-benefit allocation, rate impact and revenue requirement by funding source are shown in Appendix D, Tables 1.7a, 6.1, 6.1a-b, and 6.2.¹⁹

Program Implementation Plans (PIPs)

PG&E is providing a complete set of PIPs with this AL.²⁰ As described in the initial AL, the starting point for PIP revisions for the compliance AL are the PIP addendums submitted on July 2, 2012, or, where applicable, the revised PIPs filed September 5, 2012, with *PG&E's Response to Request for Supplemental Information in Scoping Memo and Ruling* (A.12-07-001 *et al.*).²¹ The revised PIPs reflect requirements in the EE Decision as well as guidance provided by Staff, as discussed below.

¹⁶ Assumes PG&E's proposed funding level for pending statewide ME&O filed in A.12-08-007.

¹⁷ Personnel benefit burden includes costs for employee health and other benefits. PG&E has also included a proxy shareholder incentive as provided by Energy Division.

¹⁸ PG&E will also adjust the allocation in its Self Generation Incentive Program (SGIP) revenue requirement that is consistent with the EE allocation, per D.01-03-073.

¹⁹ Appendix D is unchanged from the file submitted with the initial AL and does not reflect minor adjustments made in this supplemental AL. PG&E can provide an update of this file, if required.

²⁰ D.12-11-015 p. 107.

²¹ On September 5, 2012, PG&E revised its Statewide Residential, Commercial, Industrial, Agricultural, Codes and Standards and Statewide DSM Coordination and Integration PIPs.

All revisions made since the initial AL was filed on January 14, 2013, are shown in redline and incorporated into clean versions in Appendix B,²² except the Residential PIP that is a redlined from the EUC AL version filed April 2. Upon approval of this AL, PG&E will submit the approved PIPs to Energy Division for posting on the Commission's EEGA website at <http://eeqa.cpuc.ca.gov/>.

As discussed in the initial AL and incorporated herein, the Staff requested that the IOUs include long-term program performance metrics (LTPPMs), Strategic Plan indicators (SPIs) and market transformation indicators (MTIs)²³ in the IOUs' compliance filings. The LTPPMs have been added to the applicable PIPs, and the SPIs and MTIs are provided in a joint IOU matrix in Attachment 3. As discussed with Staff, the IOUs consider the LTPPMs and SPIs to be preliminary in nature, rather than in final form, and therefore do not recommend using the LTPPMs for data collection, evaluation, or program planning efforts until they are finalized.

The IOUs are evaluating the 2010-2012 program performance metrics (PPMs) from Resolution E-4385 for applicability to the 2013-2014 program cycle and propose to work collaboratively with Staff to develop revised PPMs and quantitative targets as appropriate for the 2013-2014 program cycle. PG&E will work with the other IOUs to file a joint advice letter by June 1, 2013.

PG&E provides below an overview of important program highlights and key programmatic changes or modifications for 2013-2014, including those made in response to Staff's recent guidance. See Attachment 2 and 4 for the compliance requirements and location in the PIPs.

Residential Program

- **Plug Load and Appliance (PLA)**

In its Residential PLA subprogram, PG&E discontinued rebates for Cool Roofs, Whole House Fans, and Furnaces for Single Family customers at the end of the first quarter (Q1) of 2013. These measures will still be available through PG&E's EUC program. The funding that would have gone toward the single-measure rebates will fund activities that support key market transformation initiatives such as Residential Energy Advisor and behavioral-based programs.

PG&E has also updated its PLA subprogram PIP as requested by Staff in recent guidance. See Attachment 4 for details.

²² See Attachment 1 for details on accessing the Appendices to this AL on pge.com.

²³ Included in the Energy Division's Staff Recommendations Regarding Market Transformation Indicators memo provided to service list for R.09-11-014 in June 2012.

- Energy Upgrade California (EUC)

On April 2, 2013, the IOUs and RENs filed a Joint AL²⁴ proposing the Enhanced Basic/Modified FlexPath EUC Program in compliance with the EE Decision (OP 5). The revisions to the Residential PIP filed in the EUC AL are incorporated in the Residential PIP provided in Appendix B.

PG&E has increased the amount of incentives for its EUC program by \$3 million since its original compliance filing on January 14, 2013 in order to ensure sufficient funding is allocated to this strategically important area of PG&E's portfolio. Additionally, PG&E will direct at least 25 percent more of its marketing and outreach budgets for the EUC program to Climate Zones 9-16 in 2013 and 2014.²⁵

As required by OP 4 of the EE Decision, PG&E, in coordination with the other IOUs and the EUC Working Group, is in the process of hiring a market transformation consultant to assist in the ongoing evolution of the EUC program.

Finally, PG&E has made minor revisions to the EUC subprogram PIP and updated several of the associated Excel files to be consistent with program modifications filed in the EUC AL.

- Multi-Family EUC Pilots

The IOUs will organize and convene a workshop on lessons learned and best practices in multi-family pilot programs in late 2013 or early 2014 and notice the workshop to the service list for 2013-2014 EE application proceeding.²⁶

- California Advanced Homes Program (CAHP)

The IOUs were required to confer with Staff by December 1, 2012, before updating incentive levels for both the CAHP and Energy Star Manufactured Homes Program (EE Decision, OP 28). The IOUs met with Staff on November 28, 2012, and, as a result, PG&E has updated its incentive levels for its CAHP program, as shown in E3 calculators included in Appendix A. As requested in recent Staff guidance, PG&E has provided clarity to its CAHP incentive levels and strategic Plan milestones in its Residential New Construction subprogram PIP.

PG&E discontinued its Energy Star Manufactured Housing Third Party Program at the end of 2012, as agreed by Staff. PG&E launched this program in 2010, and after three years determined that it could not be operated cost-effectively. The Energy

²⁴ SDG&E AL 2468-E/2185-G, SCE AL 2876-E, SCG AL 4479-G, PG&E AL 3376-G/4207-E, BayREN AL 2, and SoCalREN AL 2.

²⁵ D.12-11-015, OP 25.

²⁶ *Id.*, Conclusions of Law 29.

Star Manufactured Homes section of the PIP, including associated metrics, has been removed from PG&E's Residential New Construction subprogram PIP.

- HVAC

PG&E will submit two advice letters: June 1, 2013, to propose an incentive program to encourage code-compliant installations of residential HVAC equipment (EE Decision OP 7) and the other by July 1, 2013, to propose an upstream incentive program for distributors of residential HVAC equipment (EE Decision OP 6).²⁷

To develop a "to-code" incentive program, PG&E will gather initial input from interested stakeholders and collaborate across statewide IOU HVAC and Codes and Standards teams to leverage the experience of, and links to, related programs. A draft design will be shared by May 2013 for feedback and input from the WHPA, Energy Division and other interested stakeholders.

To develop a residential upstream program proposal, PG&E has gathered initial input from interested stakeholders and has collaborated with the other IOUs, HVAC distributors, and the existing commercial upstream implementer to draft a design. PG&E hopes to receive feedback and input on the design from interested Western HVAC Performance Alliance (WHPA) leadership and members, Staff and other interested parties by June 2013.

- Home Energy Advisor

As requested in recent Staff guidance, PG&E has revised its Residential Energy Advisor subprogram PIP to provide a more complete summary of its program offerings, particularly the planned comparative energy use reports, including clear objectives, targeted household numbers, savings targets, budget, TRC, and EM&V plans. See Attachment 4 for additional details on where these revisions are addressed in the Residential PIP.

Commercial, Industrial and Agricultural Programs

- Continuous Energy Improvement (CEI)

In response to recent Staff guidance, PG&E has reinstated its Commercial, Industrial and Agricultural CEI subprograms for the 2013-2014 EE portfolio cycle. The funding for the CEI subprograms has been shifted from Commercial, Industrial and Agricultural Calculated subprograms in this supplemental AL. The CEI program will continue to support a small number of large projects, as it did in 2010-2012. Additionally, PG&E will increase its efforts in 2013-2014 to focus on expanding its

²⁷ On March 28, 2013, the CPUC's Executive Director granted SDG&E's request, submitted on behalf of the IOUs, to file this advice letter by July 1, rather than April 1 as ordered in D.12-11-015, OP 6.

CEI offering to small and medium sized business customers in order to meet Strategic Plan guidance and Commission directives.²⁸ The CEI program details are provided in the Commercial, Industrial and Agricultural PIPs, as referenced in Attachment 4.

- Calculated Projects

The EE Decision states that there is an increase in the number of custom projects and a decrease in the size of the custom projects included in the projections for the current cycle, and therefore requires the IOUs to address this in their ALs.²⁹

Historically, the median PG&E customized retrofit project in the 2010-2012 program cycle was smaller than during the 2006-2008 cycle. The median incentive paid per project was 15 percent lower in 2010-2012 than during 2006-2008. This is a positive trend as it indicates success in promoting energy efficiency in previously underserved industries and customer segments, most notably in the small and medium business customer segments.

Data from the customized retrofit program since 2006 demonstrates that PG&E is indeed reaching a greater breadth of customers.

- In the 2006-2008 program cycle, the average number of unique PG&E customers served per year through the customized retrofit program was 384. In the 2010-2012 cycle, this number rose to 533, an increase of 39 percent.
- In the 2006-2008 program cycle, the average number of unique industries served per year through the customized retrofit program was 127. In the 2010-2012 cycle, this number rose to 144, an increase of 14 percent.

Moreover, PG&E has been more effective in reaching small and medium business customers in this most recent program cycle.

- In 2006-2008, the median customized retrofit customer consumed 3.6 GWh and 34,200 therms annually. In 2010-2012, the median customer consumed just 3.1 GWh and 30,100 therms annually, decreases of 14 percent and 12 percent, respectively.
- Incentive Rate Changes and Participation Bonuses

PG&E recently presented updates to Staff on plans for new incentive structure changes for the 2013-2014 portfolio cycle, further outlined in the Commercial PIP, Attachment D: *Commercial Incentive Update*. The anticipated changes include: (1) a new 20% bonus for “comprehensive” projects (those involving 3+ different end uses); (2) creation of a new customized incentive category matrix; and (3) changes in Targeted Lighting and non-lighting incentive rates.

²⁸ D.12-05-015, pp. 318-320

²⁹ *Id.*, pp. 77-78.

- Savings by Design

PG&E has revised its budget and savings workbooks in Appendices A and C, respectively, to break out the Savings by Design budget and savings from the Commercial Calculated subprogram.

- Split Incentive Barrier in Multi-Tenant Buildings, Sub-Metering and Plug Load Control Technologies, and Performance Data

Recent Staff guidance requested additional information on these ongoing strategic issues in PG&E's supplemental filing. PG&E has developed strategies to address each of these concerns, including potential solutions, timelines and next steps. See Commercial PIP Attachment A: *IOU Strategy for Overcoming the Tenant-Owner "Split Incentive" Barrier in Multi-Tenant Buildings*, Attachment B: *IOU Strategies for Sub-Metering and Plug Load Control Technologies*, and Attachment C: *IOU Strategy for Collecting and Utilizing Performance Data*). PG&E looks forward to collaborating with Staff to analyze these issues more deeply going forward.

Lighting Program

Consistent with the Guidance Decision (D.12-05-015), PG&E included all lighting measures in the Statewide Lighting Program PIP submitted with A.12-07-001 in July 2012, with the exception of Third Party (3P) and Government Partnership (GP) programs. The budget and savings for lighting measures for 3P and GP were accounted for in the 3P and GP programs. PG&E showed this as Scenario 1 in its initial compliance AL.

The EE Decision (OP 29) required the IOUs to submit a second set of E3 calculators and placemats that showed lighting measures in the programs through which they are expected to be delivered (Scenario 2).

Based on recent Staff guidance, the IOUs and Staff have agreed that Scenario 2, which would show Residential and Non-Residential upstream lighting measures in the Statewide Lighting Program, and downstream measures in their respective core programs, is the appropriate way to show these programs in the 2013-2014 Portfolio. Lighting measures would remain in their respective 3P and GP programs.

As a result, the IOUs and Staff have agreed to one presentation of lighting consistent with Scenario 2 in this supplemental AL. PG&E has modified its E3 calculators, PIPs, and budget and savings workbooks in Appendices A, B and C, respectively.

The EE Decision also instructed the IOUs to detail the types of bulbs for which they intend to offer incentives, and at what level. As provided in its initial AL and incorporated herein, PG&E provides this information in its Lighting PIP provided in Appendix B.

Finally, as required in the EE Decision, the IOUs are working with Staff and the California Energy Commission (CEC) to plan implementation of a new specification for light-emitting diode (LED) products that was approved by the CEC on December 12, 2012, and plan to work with manufacturers to offer only products that meet the new CEC specification before December 2013, or less than one year of the specification being approved.³⁰

Codes and Standards (C&S) Program

As provided in its initial AL and incorporated herein, PG&E updated the savings table in the C&S PIP to reflect data from the Navigant Potential Study that provides an update to the forecasted savings for Title 24 building codes attributable to the IOU C&S advocacy programs, based on more recent construction data provided by the California Building Industry Association (CBIA). This update lowered construction rates based on current and forecasted economic conditions, which led to a downward adjustment to savings estimates for IOU C&S programs. The Navigant Potential Study is available from the CPUC website:

<http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/Energy+Efficiency+Goals+and+Potential+Studies.htm>

PG&E updated its C&S savings in its savings workbook in Appendix C, and based on recent Staff guidance, PG&E updated the savings tables in the C&S PIP in Appendix B to reflect savings both with and without interactive effects.

Emerging Technologies (ET) Program

As discussed in its initial AL and incorporated herein, Staff instructed the IOUs to include in their ET PIPs details on the Technology Resource Innovation Program (TRIP) and programmatic initiatives to achieve reduction in plug loads as ordered in the EE Guidance Decision (D.12-05-015, OP 103). Therefore, PG&E's ET PIP submitted with A.12-07-001 was revised to include the items stated above as Appendices 5 and 6, respectively.

The IOUs were also instructed to include in the statewide ET Program PIP the budget and scope of work for the residential and commercial roadmaps (D.12-05-015, OP 104). As previously discussed among the IOUs and Staff, the scope of work for the residential and commercial roadmaps has not yet been developed, and therefore cannot be included at this time in the ET PIP. A market actors study is currently under way and expected to conclude in early 2013. This study will be used to identify key stakeholders in Research, Development, Demonstration, and Deployment (RDD&D) that can be engaged during the process of developing the roadmaps.

³⁰ *Id.*, OP 30.

The IOUs have included in the ET PIP the following timeline addressing progress to be achieved in the upcoming cycle for development of budget and scope (ET PIP, Appendix 7):

- 1) Develop general scope and solicit bids - Q1 2013
- 2) Review bids and award – Q1 2013
- 3) Roadmap activities - Q2 to Q3 2013
- 4) Complete Roadmap - by Q4 2013

In this supplemental AL, PG&E has updated the logic models in its ET PIP shown in Appendix B.

Workforce Education and Training (WE&T) Program

The EE Decision requires one of the IOUs to hire an expert entity to help design a comprehensive approach to the WE&T issues inherent in the energy efficiency portfolios.³¹ As agreed among the IOUs, PG&E has started work as lead IOU to hire an expert consultant or entity to assist in designing a comprehensive statewide WE&T program,³² leveraging work currently under way to implement sector strategies as recommended in the 2011 Statewide WE&T Needs Assessment.³³ The statewide WE&T consultant will be hired by May 31, 2013.

As provided in the initial AL and incorporated herein, PG&E updated the WE&T PIP to include a breakdown of funding for certain activities as required in the EE Decision, as well as narrative updates describing training partnerships.³⁴

Finally, the EE Decision directed the IOUs to emulate the Energy Savings Assistance (ESA) program data tracking requirements. The IOUs are in the process of gathering data for this effort, and will report initial data collection results to the Commission by May 1, 2013.³⁵

Statewide DSM Coordination and Integration (IDSM) Program

As discussed in the initial AL and incorporated herein, the EE Decision requests the IOUs to submit a comprehensive and consistent IDSM PIP that reinstates deleted

³¹ *Id.*, OP 34.

³² On March 29, 2013, the CPUC's Executive Director granted PG&E's request, submitted on behalf of the IOUs, for extend the deadline for completing the hiring of the WE&T consultant by May 31, 2013, rather than March 30, as ordered in D.12-11-015, OP 34.

³³ See *California Workforce Education & Training Needs Assessment*, page xxvi. http://www.energy.ca.gov/cleanenergyjobs/WE&T_NeedsAssessment_ExecutiveSummary.pdf

³⁴ D.12-11-015, OP 36.

³⁵ *Id.*, OP 35.

portions of its previous PIP and details the budgets to be devoted to each activity under the program.³⁶

PG&E has revised its IDSM PIP using the prior language from the 2010-2012 PIP, as directed. Additionally, PG&E's IDSM PIP contains a matrix of budget figures broken down by funding source and a narrative description of technologies promoted.

In this supplemental AL, PG&E has revised its IDSM PIP to reflect the revised CEI program budget related to IDSM activities.

Financing Program

The Commission adopted total financing budgets for the IOU programs, but reserved funding for IOU and BayREN financing pilots pending the outcome of the statewide financing consultant's proposals to be addressed in a subsequent Commission decision or ruling.

PG&E has updated the statewide Financing Program PIP to reflect final authorized budgets and other information available at this time. However, PG&E notes that, since the EE Decision deferred further direction on financing pilots to the Assigned Commissioner and a ruling has not yet been issued on the statewide Financing Pilots, many of the pilot program details have not yet been defined or approved.

PG&E has updated its Financing PIP to provide additional details on its On-Bill Financing (OBF), Continuing American Recovery and Reinvestment Act (ARRA) Financing and New Financing Pilot offerings as directed in recent Staff guidance. See Attachment 4 for details on where these are addressed in the Financing PIP.

After the Commission issues a Ruling or Decision on the statewide Financing pilots, the IOUs expect to submit a revised PIP through the Staff's established PIP Addendum process.

In addition, PG&E will work with BayREN to coordinate finance programs, and is working with MEA to provide funding (see below) and to implement the portions of its financing pilots which will require updates to PG&E's processes and systems.³⁷

Third Party Programs

- Contract Discontinuation

As discussed in the initial AL and incorporated herein, PG&E will discontinue the Honeywell GreenVent Program in 2013-2014. Honeywell recently informed PG&E

³⁶ *Id.*, OP 33.

³⁷ *Id.*, OP 11.

that it did not want to continue this program due to unfavorable market conditions, the risk of not making goals, and after discovering that original market assumptions and design are not sustainable. Honeywell has spent the last 2.5 years marketing and making adjustments to this program, with limited success.

Prior to the decision to close the program, PG&E worked with Honeywell to modify incentive levels, create special campaigns with field representatives, and collaborate with the Food Service Technology Center to look for options, but closing the program remained the best option.

- Innovative Designs for Energy Efficiency Approaches (IDEEA) 365

PG&E launched its Third Party IDEEA 365 Program in November 2012 by engaging its Third Party Program Peer Review Group (PRG), including Staff, to discuss the scope and schedule of its Targeted and Innovative Solicitations. PG&E offers a two-prong staged approach for both solicitations. Stage 1 is designed to allow bidders to submit a Request for Abstract (RFA) describing the program concept. Bidders with RFAs that pass the review process will continue to Stage 2 by submitting a Request for Proposal (RFP).

Three RFAs for the Targeted Solicitation were issued in December 2012; the RFPs and contract negotiations and executions will occur in April/May 2013. A second Targeted Solicitation and an initial Innovative Solicitation will launch in the 2nd quarter of 2013. The Innovative Solicitation will include a focus on the municipal, university, schools and hospital (MUSH) market. Non-resource program designs are eligible under this rolling solicitation. PG&E and the other IOUs will convene a forum in late 2013 or early 2014 to review selection criteria and discuss statewide consistency.

- Contracts

PG&E completed its contract negotiations with all Third Party Program implementers in January 2013. The final budgets, including applicable carryover funding, are reflected in the revised E3 calculators in Appendix A and the budget workbook in Appendix C. The program savings is unchanged from the savings shown in the E3 calculators and savings workbooks submitted with the initial compliance AL, except for corrections to EnergySmart Grocer (PGE21018) and Heavy Industry Energy Efficiency Program (PGE21027). The redlined and clean versions of all the 2013-2014 Third Party Program PIPs can be found in Appendix B.

Government Partnership Programs

As discussed in the initial AL and incorporated herein, the EE Decision orders the IOUs to double the target number of participants for their Middle Income Direct Install (MIDI) programs, and to ensure eligibility for residents of multi-family buildings in these programs (OP 26). Accordingly, PG&E has increased its Government

Partnership moderate income target from 7,500 to 15,000 participating households in 2013-2014, and has maintained program eligibility for residents of multi-family buildings.

As part of streamlining administration of Government Partnership programs, two partnerships were consolidated with other programs for 2013-2014. PG&E worked closely with local partners to make the following partnership adjustments. The City of San Joaquin Partnership (EEGA PGE21108), which is located in Fresno County, has been incorporated into the Fresno Partnership (PGE211010). In addition, the San Joaquin County Partnership (PGE211017) will be supplanted by regional efforts focused on the San Joaquin Valley (PGE2110051).

In accordance with EE Decision (OP 32), PG&E provided draft contracts to all local government partners by January 14, 2013, which was within 60 days of November 15, 2012, the date the EE Decision was issued. All of these contracts have been finalized and fully executed. The redline and clean versions of the final GP PIPs can be found in Appendix B.

Within the Government Partnership Master PIP, PG&E describes the seven partnership pilots and outlines the process for allocating the remaining Local Government Energy Action Resource (LGEAR) funds. These partnership pilots are focused on achieving deep energy savings while serving hard-to-reach customers in communities that have received limited partnership resources in the past. To reinforce this deeper savings commitment, PG&E has proposed aggressive energy savings targets for the LGEAR subprogram. The remaining LGEAR funds will be used to enhance high-performing partnerships that have consistently delivered and will continue to deliver deep energy savings.

Regional Energy Networks and Community Choice Aggregator

- SF Bay Regional Energy Network

On February 11, 2013, PG&E and the Association of Bay Area Governments executed a contract that allows PG&E to have fiscal management oversight of BayREN's program but not oversight on program design or program changes in accordance with D.12-0-11-015, OP 8.³⁸

- Marin Energy Authority

PG&E has made two of 8 quarterly payments to MEA to transfer a total of \$4 million authorized in the EE Decision to fund 2013-2014 energy efficiency programs offered by MEA to electric customers in its jurisdictional area.³⁹

³⁸ PG&E and BayREN jointly requested and were granted two extensions of time to complete this contract from the CPUC's Executive Director.

³⁹ D.12-11-015, OP 11.

EM&V

The \$33.9 million EM&V budget in this supplemental AL is consistent with the EM&V budget adopted in the EE Decision and includes funding for the evaluation of IOU, REN, MEA and Statewide ME&O programs. PG&E has worked with the other IOUs, Staff and other stakeholders to develop the 2013-2014 Joint EM&V Plan that was completed on January 31, 2013.⁴⁰

Ex-ante Energy Savings “Lockdown”

PG&E continues to work with Staff to “lock down” *ex ante* values for the 2013-2014 program cycle. Many of the workpapers were reviewed by March 1, 2013, however some of the workpapers are still in discussions and/or may still be reviewed by Staff. As a result, PG&E is working with Staff towards final lock down of *ex ante* values for Database for Energy Efficient Resources (DEER) and non-DEER measures and their associated workpapers.

Additionally, the IOUs and Staff are working on process improvements to the Custom Project Review Process.

Effective Date

PG&E is designating this AL as a Tier 2 advice letter. PG&E requests this AL be approved by **May 16, 2013**, which is 30 days from today's date, with an effective date of January 1, 2013. As stated in the EE Decision (OP 46), PG&E is authorized to proceed with implementing the programs and activities approved in the EE Decision and utilizing its approved funding while this advice letter is pending approval with the Commission.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than **May 3, 2013**, which is 10 days after the date of this filing. The shortened protest period is authorized by Staff as revisions made in this supplemental AL are in response to recent Staff guidance. PG&E has incorporated its programmatic requests made in the initial AL into this supplemental AL for the convenience of Staff in its approval process. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

⁴⁰ D.12-11-015, OP 19). On January 9, 2013, Administrative Law Judge Fitch approved an extension request for the Joint EM&V Plan, from January 14 to January 31, 2013.

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

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

Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Rule 7.4.). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Rule 3.11).

Notice

In accordance with General Order 96-B, Rule 4, a copy of this advice letter is being sent electronically and/or via U.S. mail to parties shown on the attached list and Service Lists A.12-07-001 and 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>.

A handwritten signature in cursive script that reads "Brian Cherry / slw".

Vice President – Regulatory Relations

cc: Service Lists for A.12-07-001 and R.09-11-014
Hayley Goodson, TURN

Attachment 1 – List of Appendices available electronically at
<http://apps.pge.com/regulation/search.aspx?caseID=828>.

Attachment 2 – D.12-11-015 Compliance Table from initial AL

Attachment 3 – 2013-2014 Strategic Plan and Market Transformation Indicators from
initial AL

Attachment 4 – Staff Request for Supplemental Information

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: **Shirley Wong**

Phone #: **(415) 972-5505**

E-mail: **slwb@pge.com and PGETariffs@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) #: **3356-G-A/4176-E-A**

Tier: **2**

Subject of AL: **Supplemental: Compliance Advice Letter Implementing PG&E's 2013-2014 Energy Efficiency Portfolio Pursuant to Decision 12-11-015**

Keywords (choose from CPUC listing): **Compliance**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **D.12-11-015**

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:

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: **No**

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: _____

Resolution Required? ☐ Yes ☒ No

Requested effective date: **January 1, 2013**

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:

Service affected and changes proposed:

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

ED Tariff Unit

505 Van Ness Ave., 4th Floor

San Francisco, CA 94102

E-mail: **EDTariffUnit@cpuc.ca.gov**

Pacific Gas and Electric Company

Attn: Brian K. Cherry, Vice President, Regulatory Relations

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: **PGETariffs@pge.com**

PACIFIC GAS AND ELECTRIC COMPANY
2013-2014 ENERGY EFFICIENCY
SUPPLEMENTAL COMPLIANCE ADVICE LETTER 3356-G-A/4176-E-A
ATTACHMENT 1 – LIST OF APPENDICES

The appendices listed below will be available on PG&E's website by the close of business April 23, 2013. The documents may be accessed as follows:

- 1) Go to: <http://apps.pge.com/regulation/>
- 2) Click on "Search for Public Case Documents"
- 3) Select "Energy Efficiency 2013-2014 Portfolio" from the dropdown menu
- 4) Select 04/23/2013 and PGE as the party to narrow the search criteria
- 5) Click Search

As an alternative to accessing the appendices on PG&E's website, PG&E will provide a copy by diskette(s) of the appendices to any party upon request. Please direct a request for a copy of these materials to PG&E as follows: Josephine Wu, Case Coordinator, Regulatory Affairs, Regulatory Support and Metrics, Telephone: (415) 973-3414, Facsimile: (415) 973-3574, e-mail: JWWD@pge.com

APPENDIX A: PORTFOLIO COST-EFFECTIVENESS ANALYSIS

- Appendix A.1 – List of E3 Calculator Files
- Appendix A.2 - Calculation Engine
- Appendix A.3 - Subprogram E3 Calculator Files Including Spillover Adjustment (3P)
- Appendix A.4 - Subprogram E3 Calculator Files Including Spillover Adjustment (Core)
- Appendix A.5 - Subprogram E3 Calculator Files Including Spillover Adjustment (GP)

APPENDIX B: PROGRAM IMPLEMENTATION PLANS (CLEAN AND REDLINE)

1. Residential Program
2. Commercial Program
3. Agricultural Program
4. Industrial Program
5. Lighting Program
6. Codes and Standards Program
7. Emerging Technologies Program

8. Workforce Education and Training Program
9. DSM Coordination and Integration Program
10. Financing Program
11. Third Party Programs
12. Government Partnerships

APPENDIX C: BUDGET AND SAVINGS PLACEMAT TABLES

- Appendix C.1 – Budget Workbook Placemat Table
- Appendix C.2 – Savings Workbook Placemat Table
- Appendix C.3 – 2010-2012 Carryover Funds and Commitments

APPENDIX D: 2013-2014 ENERGY EFFICIENCY PORTFOLIO TABLES (NOT UPDATED FROM JANUARY 2013)

Pacific Gas and Electric Company
2013-2014 EE Compliance Advice Letter 3356-G/4176-E
Attachment 2 - D.12-11-015 Compliance Table

#	Topic	OP #	FOF #	COL #	Supporting Text Page #	Requirement	Compliance AL: PIP Revision [Format: PIP-Subprogram(Section)]	Compliance AL: AL Section or Appendix
1	Budget	21				IOUs shall fund energy efficiency financing programs at the budget levels shown in Table 7 in this decision. Revolving loan funds for SDG&E and SoCalGas shall not be funded out of energy efficiency program funds. These budgets do not include funding for the statewide marketing, education, and outreach program, which is being evaluated in Application 12-08- 007 et al.	intentionally blank	AL Table 2; Appendix C.1
2	Budget	39		84		IOUs shall immediately begin reflecting all labor-related costs associated with the delivery of their energy efficiency programs as defined on page 49 of Decision 09-09-047, in their energy efficiency portfolio filings, and shall clearly delineate where any expenses or costs have been or will be recovered in proceedings other than energy efficiency applications.	intentionally blank	AL Cost Effectiveness; Appendix A; Appendix D, Table 4.3
3	Budget				85	Reiterate here that the LGP budgets should not be penalized to account for the REN proposals, and we see no evidence that this has occurred for this cycle.	intentionally blank	AL Table 2
4	Budget			80	101	We still require the utilities minimize their non-incentive budgets as much as possible to achieve the target of no more than 20% of the budget associated with the "implementation-customer services" category of costs.	intentionally blank	AL Overview
5	Budget				107	The compliance filings should also break down budgets into annual budgets, in addition to the two-year budgets approved herein.	intentionally blank	AL Table 1; Appendix D, Table 4.1
6	Budget- Carryover Funds	13		12		IOUs shall allow any program with a contract or commitment funded by energy efficiency funding in 2012 that is due to be continued in 2013 to continue its activities until a new 2013 contract is available, as applicable, to ensure that there is no gap in contract timing or funding between 2012 and 2013.	intentionally blank	AL 2010-2012 Unspent Funds and Commitments
7	Budget-Carryover Funds				95	For purposes of clarity and ensuring there are no gaps in funding for any program that is continuing from 2012 through the 2013-2014 program cycle, we define committed funds as those that are associated with individual customer projects and/or are contained within contracts signed during a previous program cycle and associated with specific activities under the contract. All activities carried out under a contract and/or customer obligation during a specific program cycle need not be completed and funds need not be spent during that particular program cycle so long as there is an expectation that the activities will be completed. However, those funds are considered "committed" and/or "encumbered" and thus are not considered "unspent" funds. Only funds that are both uncommitted and unspent during 2012 and prior are eligible for being rolled into 2013-2014 program budgets.	intentionally blank	AL 2010-2012 Unspent Funds and Commitments
8	Budget-Financing			11		Programs that received 2012 energy-efficiency funding and will be continued in 2013, which were originally funded through ARRA, should be allowed to utilize existing funds until such time as new contracts for 2013-2014 are executed.	Finance - Third-Party Financing (9a Subprogram Description/Theory)	intentionally blank
9	Budget-PGE	40				PG&E is authorized a revenue requirement of \$823,082,766 for 2013 and 2014, including funding for the San Francisco Bay Area Regional Energy Network and the Marin Energy Authority, offset by unspent funding as detailed in Ordering Paragraph 38.	intentionally blank	AL Table 2; Appendix C.1

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#	Topic	OP #	FOF #	COL #	Supporting Text Page #	Requirement	Compliance AL: PIP Revision [Format: PIP-Subprogram(Sec tion)]	Compliance AL: AL Section or Appendix
10	Budget-SCE	41				SCE is authorized a revenue requirement of \$694,209,340 for 2013 and 2014, including funding for the Southern California Regional Energy Network, offset by unspent funding as detailed in Ordering Paragraph 38.	Not applicable to PG&E	Not applicable to PG&E
11	Budget-SDG&E	42				San Diego Gas & Electric Company is authorized a revenue requirement of \$178,731,620 for 2013 and 2014, including funding for the Southern California Regional Energy Network, offset by unspent funding as detailed in Ordering Paragraph 38.	Not applicable to PG&E	Not applicable to PG&E
12	Budget-SCG	43				SoCalGas is authorized a revenue requirement of \$147,640,000 for 2013 and 2014, including funding for the SoCalREN, offset by unspent funding as detailed in Ordering Paragraph 35.	Not applicable to PG&E	Not applicable to PG&E
13	Cost Effectiveness	37				A default market effects adjustment of five percent shall be applied to the total portfolio cost-effectiveness to account for program spillover. Program-specific estimates will be developed by evaluation studies in 2013 and 2014.	intentionally blank	AL Cost Effectiveness; Appendix A
14	Cost Effectiveness				53	Each Utility's proposal must pass both the TRC and PAC tests on a prospective basis, after subtracting ETP costs. To pass, the benefit-cost ratios for both tests must be greater than 1.0.	intentionally blank	AL Cost Effectiveness; Appendix C.2
15	EM&V			46		The EM&V budget for this portfolio cycle should remain at 4% of total budgets, including REN and MEA budgets plus a placeholder assumption for the statewide marketing, education, and outreach budgets being considered in A.12-08-007 et al. Statewide sectoral end-use surveys for Energy Commission use in Title 20 appliance standards should not be funded out of this budget but should seek alternative funding sources. If alternate funding cannot be secured, a petition to modify may be filed to increase the EM&V budget adopted herein to fund those studies.	intentionally blank	Table 2
16	Ex Ante/Custom Measure Review	18		49		Commission action on alternative proposals for the ex ante and custom project review processes is deferred. IOUs shall not allow or cause these processes to interfere with customer project completion	intentionally blank	AL <i>Ex-ante</i> Energy Savings "Lockdown"
17	Financing			51	3	The utilities' on-bill financing programs should be approved as proposed with the budgets authorized herein.	Finance (Section 4 Table 1 Program Budget)	Appendix C.1
18	Financing				40	Single-family loan loss reserve program: At this stage, we do not have enough information about the program details, but will reserve funding pending the outcome of the statewide financing consultant's proposals. Multi-Family capital advance program pilot: We reserve the funds for this BayREN financing program under the assumption that it may be coordinated with the multi-family statewide pilot.	intentionally blank	AL Financing
19	Financing				63	Since we directed the utilities to reserve funding for certain successful financing pilot programs previously funded by ARRA, we approve their budgets as proposed. We expect the utilities, in their compliance filings, to indicate the exact programs to be funded in this category, in addition to the SoCalREN and BayREN proposals that we specifically authorize.	Finance - Third-Party Financing (9a Program Description/Theory)	Appendix C.1
20	Financing				63	Direct the utilities to coordinate closely with the REN financing programs as well as the other financing programs funded out of the utilities' portfolios.	intentionally blank	AL - Financing

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21	Financing				65	"Financing offerings need not be limited to energy efficiency, and can support all types of demand-side investments" (D.12-05-015) applies only to on-bill repayment (OBR) and other types of pilot activity where the funding for the loans themselves come from sources other than ratepayers. For others such as on-bill financing (OBF) where energy efficiency funds are being utilized, they should be used for energy efficiency projects only at this time.	Finance - OBF (11.b Additional Subprogram Information) (Note: OBR/Financing Pilots PIP will be updated after final financing ruling is issued.)	intentionally blank
22	Financing			52		Pilot financing programs originally funded under ARRA have shown promise and should be allowed to continue with energy efficiency program funding for two years.	Finance - Third- Party Financing (9a Program Description/ Theory)	intentionally blank
23	Financing			54		Funding should be reserved for the REN and utility financing pilot programs until further action by the Commission. Programmatic decision-making on the financing pilot activities should be delegated to the Assigned Commissioner.	intentionally blank	AL Financing
24	Fundshifting	20		50	62	The existing fund shifting rules shall be applied to the following categories of programs for IOUs: a. statewide residential b. statewide commercial c. statewide agricultural d. statewide industrial e. statewide lighting f. statewide codes and standards g. statewide emerging technologies h. statewide workforce, education, and training i. statewide marketing, education, and outreach j. statewide integrated demand-side management k. statewide financing l. third party programs (competitively bid) m. local government partnerships n. other	intentionally blank	AL Budget; Appendix C.1
25	Goals	17			57	The energy savings goals for IOUs shall be adjusted to reflect the new figures in Table 5 in this decision.	Residential, Commercial, Industrial, Agricultural, Codes & Standards, 3P, GP (Table 2 Program Gross Impacts Table)	AL Goals
26	GP-SDG&E				86	Approve SDG&E's application that is referred to as SDREN should be approved, but renamed to be a San Diego regional partnership under the LGP umbrella and within SDG&E's portfolio.	Not applicable to PG&E	Not applicable to PG&E

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#	Topic	OP #	FOF #	COL #	Supporting Text Page #	Requirement	Compliance AL: PIP Revision [Format: PIP- Subprogram(Sec- tion)]	Compliance AL: AL Section or Appendix
27	GP-SDG&E			73		The SDG&E San Diego REN proposal should be approved as a local government partnership, but reclassified as a regional partnership, since it will be directed by SDG&E and not selected by the Commission.	Not applicable to PG&E	Not applicable to PG&E
28	IDSM	33			88	IOUs shall submit, as part of its compliance filing, a comprehensive and consistent integrated demand-side management program implementation plan (PIP) that reinstates deleted portions of its previous PIP and details the budgets to be devoted to each activity under the program.	Refers to all of IDSM PIP	AL IDSM
29	IDSM				87	Direct IOUs to utilize appropriate energy efficiency IDSM funds to "backstop" funding of IDSM tools to ensure that they provide customers with information that supports all demand-side resources (such as marketing, emerging technologies, integrated audits, piloting of integrated projects, etc.), consistent with IDSM objectives.	IDSM; Section 4a	intentionally blank
30	IDSM				88	IOUs should provide a matrix of budget figures broken down by funding source (energy efficiency, demand response, solar, etc.) for: IDSM marketing, IDSM pilots, integrated Continuous Energy Improvement, IDSM online and on-site audits, IDSM training, and IDSM data tracking. The IOUs should also include a narrative description of the technologies being promoted and how the efforts support IDSM goals.	IDSM; Appendix A & B	AL IDSM
31	IDSM				88	Required by D.12-04-045, a decision in the demand response program application proceeding, to file requests for the demand response portion of their IDSM budgets in this proceeding.	intentionally blank	AL Budget
32	Industrial and/or Agricultural Programs				77	Utilities should address it in their compliance filings, the increase in the number and a decrease in the size of the custom projects	intentionally blank	AL Commercial, Industrial and Agricultural Programs - Calculated Projects
33	Industrial and/or Agricultural Programs				78	Expect the utilities to work with stakeholders in the agricultural area to improve their programmatic approaches over the course of the 2013-2014.	Agricultural - Core PIP - (5. Program Rationale and Expected Outcome and 6.0 Program Implementation Overview) Energy Advisor (4. Program Description) Calculated Incentives (4. Program Description)	intentionally blank
34	Lighting	29			79	IOUs shall, in their compliance filings, include lighting measures two different ways in their cost-effectiveness calculators to allow for comparison, both in the statewide lighting program and in the program where the lighting measure is being delivered.	Lighting PIP reflects main presentation (Scenario 1)	AL Lighting; Appendix A and C

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35	Lighting	30		67	3, 79	IOUs shall only offer incentives for light-emitting diode (LED) bulbs to products that are in the top half of quality on the market and that meet the Energy Star requirements prior to the adoption of a California quality specification for LEDs by the California Energy Commission (CEC). Once the CEC quality specification is adopted, the utilities shall design a transition period of less than one year, in consultation with the CEC and Commission staff, after which they shall only offer incentives to LED bulbs that meet the California quality specification.	Lighting - Primary Lighting and Lighting Innovation subprograms (10f. Measures and Incentive Levels)	AL Lighting
36	Lighting				80	We leave to the utilities to determine how to implement this guidance, in cooperation with the CEC... In updates to their PIPs, the utilities should detail the types of bulbs for which they intend to offer incentives, and at what level.	Lighting - Primary Lighting (Excel Attachment 3.3 Table 11)	AL Lighting
37	Lighting				80	We require the utilities to consult with CEC and Commission staff and coordinate the phase-out to the availability from manufacturers of sufficient volume of LED bulbs that comply with the CEC specification. We hope this will take considerably less than a year after adoption.	Lighting - Primary Lighting (10f. Measures and Incentive Levels)	AL Lighting
38	MIDI	26		61	73	IOUs shall double their target number of participants for their Middle Income Direct Install programs and ensure eligibility for residents of multi-family buildings in the programs.	intentionally blank	AL Government Partnerships
39	Procedural	45		85	107	IOUs, RENS, and MEA shall file advice letters in compliance with the directives in this decision no later than 60 days after this decision is issued, unless another date is specified herein for a specific program, in the format provided by Commission staff.	intentionally blank	AL Purpose
40	Procedural	46				IOUs are authorized to proceed with implementing the programs and activities approved in this decision and utilizing their approved funding while their compliance advice filings are pending with the Commission.	intentionally blank	AL Background and Effective Date
41	Procedural				107	To ensure that our materials are completely updated and accurate, we will require that all program proponents submit updated and finalized PIPs, placemats, and cost-effectiveness calculators in a compliance filing to be submitted by advice letter due no later than 60 days after the date of this decision	intentionally blank	AL Attachment 1
42	Procedural				107	In the compliance filing filing, all of the utilities, RENS, and MEA should include a matrix that cites each requirement in this decision and lists the associated place in their compliance filings where the requirement is addressed	intentionally blank	AI Attachment 2
43	Procedural				107	Both clean and redlined versions of the PIPs should be provided to Commission staff, as well as any other changes to proposals that were contained in the body of each program proponent's application or motion.	All SW and Third Party PIPs updated in redline and clean versions	AL Program Implementation Plans; Appendix B
44	Procedural-SCE/SDG&E				109	We expect SCE and SDG&E to focus energy efficiency program deployment in these constrained areas, as appropriate, through targeted outreach, fund-shifting, or other approaches within their existing authority.	Not applicable to PG&E	Not applicable to PG&E
45	Residential-Behavior		35		76	The definition of behavioral programs in D.10-04-029 should be maintained for residential households by 2014, along with the 5% target set in D.12-05-015. These are minimum targets and nothing prohibits utilities from initiating additional behavioral activities in 2013-2014. They should be encouraged to do so.	Rresidential - Energy Advisor (6. Program Implementation, Attachment 1)	intentionally blank

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#	Topic	OP #	FOF #	COL #	Supporting Text Page #	Requirement	Compliance AL: PIP Revision [Format: PIP- Subprogram(Sec tion)]	Compliance AL: AL Section or Appendix
46	Residential-CAHP	28		63	74	IOUs shall update their incentive levels, after conferring with Commission staff by December 1, 2012, for the California Advanced Home Program and Energy Star Manufactured Homes Program.	Residential - Residential New Construction (4. Program Description)	AL Residential Program - CAHP; Appendix A
47	Residential-EUC	23		57		IOUs shall discontinue use of the Whole House Upgrade Program or its acronym WHUP. This program name must be returned to Energy Upgrade California.	Revised in all PIPs	intentionally blank
48	Residential-EUC	24		58	69	IOUs shall not remove labor costs from the cost-effectiveness calculations for the Energy Upgrade California program.	intentionally blank	Appendix A - labor costs are included in EUC cost effectiveness
49	Residential-EUC	25		59	69	PG&E and SCE shall direct at least 25% more of their marketing and outreach budgets for the Energy Upgrade California program to Climate Zones 9-16 in 2013 and 2014.	intentionally blank	AL Residential Program - EUC
50	Residential-EUC			60	73	The other utilities should be required to update their PIPs for the EUC multi-family whole building pilot program consistent with PG&E's approach in their September 5, 2012 filing. All utilities should be required to specify unit treatment targets and budgets, utilizing both 2012 funding and 2013-2014 funding.	Not applicable to PG&E	intentionally blank
51	Residential-EUC Redesign				70	The IOUs should meet or exceed all of the targets in the high-participation scenarios filed in their EUC program implementation plans, which are reproduced below. These are understood to exclude EUC participation targets for the RENs within the areas where RENs ultimately implement the EUC-modified Basic Path.	intentionally blank	AL Residential Program - EUC
52	Residential-EUC Redesign			20		One of the utilities, with the assistance of the market transformation consultant, should co-chair a working group of EUC implementers and the working group should choose a co-chair that is a non-utility representative. This group should cooperatively re-design the EUC Basic Path and/or Flex Path approaches in consultation with Commission staff and CEC staff. A new PIP should be produced no later than April 1, 2013 and filed in a Tier 2 advice letter with the Commission. The program designs to be implemented by RENs and utilities need not be identical but should be similar, and should be capable of being marketed jointly. The PIP should also detail where the program will be implemented by RENs or utilities.	Res PIP - EUC (10. Program Implementation Details) and further updates April 1, 2013	AL Residential Program - EUC
53	Residential-EUC Redesign				69	IOUs to hire a statewide market transformation consultant for the EUC program program, as well as to engage other EUC REN implementers in a program redesign. Expect that redesign to be completed by April 2013, and for the RENs to launch the revised program within their geographic regions at that time, with the IOUs launching the same or substantially similar program in their service territory areas not covered by RENs.	Res PIP - EUC (10. Program Implementation Details)	AL Residential Program - EUC
54	Residential-EUC-Mkt Transformation Consultant	4		19	23, 69	IOUs shall mutually agree and select one utility to hire a market transformation consultant to assist with the design and implementation of the Energy Upgrade California (EUC) program. The chosen utility shall also co-chair an informal working group of EUC program implementers. The working group shall choose one non-utility co-chair.	Res PIP - EUC (10. Program Implementation Details)	AL Residential Program - EUC

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#	Topic	OP #	FOF #	COL #	Supporting Text Page #	Requirement	Compliance AL: PIP Revision [Format: PIP- Subprogram(Sec tion)]	Compliance AL: AL Section or Appendix
55	Residential-HVAC (and Commercial- HVAC)			66		The utilities should take more of a market transformation approach and improve their quality installation and quality maintenance programs for residential HVAC installations during 2013 and 2014. -and- The utilities' QI/QM proposals fail to project significant savings or ambitious enough targets to achieve any of the Strategic Plan goals for the HVAC sector, particularly in the residential markets. To address this critical gap, the utilities should update their targets and approaches in their compliance filings, and focus on a market transformation approach to this program area, with significantly augmented goals, by 2015.	Residential - HVAC (5. Program Rationale and Expected Outcome) Commercial - HVAC (5. Program Rationale and Expected Outcome)	intentionally blank
56	Residential-Multi- family	27		62	73	IOUs shall update their program implementation plans for the multi-family energy efficiency rebate program to go beyond lighting measures, address corporate level outreach, ensure appropriate training and certification for contractors, and offer technical assistance to building owners.	Residential - MFEER (4. Program Description,5.Pro gram Rationale and Expected Outcome)	intentionally blank
57	Third Party				82	Clarify that the third party requirement for 20% of the portfolio to be competitive bid to third parties, is 20% of the total portfolio budget, including EM&V costs.	intentionally blank	AL Budget; Appendix D, Table 3.4
58	Third Party				82	Require them to show that the budget for programs solicited directly and competitively from third parties exceeds the 20% requirement.	intentionally blank	AL Budget; Appendix D, Table 3.4
59	Third Party				83	Finally, we note that the utilities' portfolio filings lack specific proposals to focus on more of their third party program initiatives on the MUSH market as directed in D.12 05 015. The same is true with respect to third party offerings focused on strategic plan objectives, such as the Sustainable Communities programs. We require the IOUs to redirect additional budget toward these types of efforts during the program cycle and to conduct a third-party solicitation targeted to the MUSH sub-sector during the 2013-2014 program period, as recommended by CILMCT in comments on the proposed decision.	intentionally blank	AL Third Party
60	WE&T	36			92	IOUs shall update their program implementation plans for workforce, education, and training in their compliance filings to specify the funding for energy center classes, sector strategy efforts, training partnerships with community colleges and adult education, training partnerships with trade organizations, and training partnerships with community-based organizations or other government agencies.	WE&T - Attachment 3	AL Workforce Education and Training

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#	Topic	OP #	FOF #	COL #	Supporting Text Page #	Requirement	Compliance AL: PIP Revision [Format: PIP-Subprogram(Sec tion)]	Compliance AL: AL Section or Appendix
61	WE&T			77		The utilities should undertake a strategic planning approach to workforce, education, and training activities by hiring an expert to design a comprehensive plan. That plan should adhere to the WE&T goals in the Strategic Plan, and should address the following elements: a. Explore ways to leverage (with green jobs programs, community-based and non-profit organizations, educational institutions, the business community, and labor organizations, etc.) wherever possible and incorporate teaching minority, local low-income, disabled, displaced, and other disadvantaged communities the skills needed to meet energy-efficiency program needs, where feasible. b. Explore ways to leverage these same potential partners, wherever possible, to identify currently unemployed workers already equipped with the skills needed to meet energy-efficiency program needs, where feasible; c. Consider possible pilot programs during 2013-2014 to test new quality standards for energy efficiency projects accompanied by necessary training, increased pay for performance for contractors, and links to job placement for completing training.	WE&T - Core (Budget Table 1) WE&T - Planning (a. Statewide IOU Coordination)	AL Workforce Education and Training
62	WE&T				90	We agree, that the utilities should consider the following issues in this work: Explore ways to leverage (with green jobs programs, community-based and non-profit organizations, educational institutions, the business community, and labor organizations, etc.) wherever possible and incorporate teaching minority, local low-income, disabled, displaced, and other disadvantaged communities the skills needed to meet energy efficiency program needs, where feasible; Explore ways to leverage these same potential partners, wherever possible, to identify currently unemployed workers already equipped with the skills needed to meet energy efficiency program needs, where feasible; and Consider possible pilot programs during 2013-2014 to test new quality standards for energy efficiency projects accompanied by necessary training, increased pay for performance for contractors, and links to job placement for completing training. We also suggest a special focus on best practices for offering disadvantaged workers employment opportunities upon completion of training.	WE&T - Centergies (a. Statewide IOU Coordination/Coordination with ESAP)	
63	WE&T				92	In their compliance filings, the utilities should update their materials to provide a budget breakdown by sub-program in the WE&T area, for the amount of funds spent on the following: energy center classes, sector strategy efforts for HVAC, sector strategy efforts for CALCTP, other sector strategies, training partnerships with community colleges and adult education, training partnerships with trade organizations, and training partnerships with community-based organizations or other government agencies. The IOUs should also update their narrative descriptions of their partnerships.	WE&T - Attachment 3	AL Workforce Education and Training

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Attachment 3 - 2013-2014 Strategic Plan Indicator and Market Transformation Indicator Matrix

This document includes the SPIs and MTIs from Energy Division's Staff Recommendations Regarding Market Transformation Indicators memo provided to the service list in June 2012. IOUs consider SPIs as preliminary in nature and require further development. Energy Division, IOUs and stakeholders were in agreement during the November 7, 2011, workshop that SPIs and MTIs tracked market effects that are likely subject to influences beyond IOU control. Note: strike-throughs are from the Staff Recommendation document.

CPUC Index #	Strategic Plan Indicator	Unresolved Issues	Program Mapping
CIA-14	Square footage of existing commercial space in California retrofitted X% beyond current (definition) title 24 building standard (2011) (size weighted percent of projects that are x% beyond Title 24 - percent of events triggering Title 24 - for current code)	Need to identify appropriate target.	Commercial
Ind-2	Energy intensity (per gross dollar of production value) for industrial entities.		Industrial
ResSW-1	Average energy use/ft ² in existing homes (kwh, therms, KW), reported by single-family and multi-family.		Residential
ResSW-2	Percentage and number of homes where the purchased energy is reduced by 20%, 40% or 70% by 2013, 2017 and 2020 from 2008 baseline	Recommend revising for next cycle via the D.10-10-033 process.	Residential
BCE-1	Percent decrease in average plug load attributable to electronic products that are in the BCE program(Efficient Market Share of the top 10% most efficient products; or bundle of consumer electronic products)	If this continues to be a priority area, a market transformation indicator that can capture some combination of technologies and usage would be preferable.	Residential
Advanced Lighting-1	The average lighting power density of residential and commercial lighting applications.	Need to add same for commercial lighting; alternatively tracking average lumens per watt may be appropriate for lighting overall (advanced and basic) as a Strategic Indicator. This will be a significant data collection effort.	Residential

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Attachment 3 - 2013-2014 Strategic Plan Indicator and Market Transformation Indicator Matrix

CPUC Index #	Strategic Plan Indicator	Unresolved Issues	Program Mapping
NC-1	Total number/percentage of California-wide, new homes of all production types (SF, MF), modeled 15-19%, 20-29%, 30-39%, 40+% above T24 code (2008 and subsequent code updates). Includes participants and non-participants; for all indicators suggested, baseline year would be years from which data for baseline study is drawn. OR (as SPI) "Percentage of new homes in CA that are built above 2008 Title 24 standards"	Wording as SPI may need revision.	Residential
NC-4	Average electricity and energy use levels of California new residential units (KW/ft ² ; KBTU/ft ² /year)	Definition of "energy use" will need to be clarified.	Residential
NC-9	Percentage decrease in average site energy* use (kBtu/sq ft-yr) and demand reduction (kW/sq ft) for CNC by building type in California. * Total site energy comprises building site energy and exterior lighting, architectural lighting/signage, all non-building energy use (fountains, irrigation, vehicle charging stations) non-occupied space (garages, walkways), and building end-uses unregulated by T24 (plug loads, process loads, appliances, occupancy, etc)	NOTE: Under the Justification/Rationale column of the MTI worksheet notes: "Revisions to clarify 'existing' and code requirements."	Commercial
CS-3	Compliance rates of remodels triggering T24 in existing (a) existing homes and (b) commercial buildings in California.		Codes & Standards Commercial Residential
CS-4	Compliance rates of T24 in (a) new homes (b) new commercial buildings in California.		Codes & Standards Commercial Residential
CS-6	Number of measures from Voluntary beyond code standards and rating systems (LEED, CHPS, 189) that are incorporated into mandatory T24 Standards in the Residential and Commercial Sectors.	May need modification to clarify and address changing code over time.	Codes & Standards Commercial Residential

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Attachment 3 - 2013-2014 Strategic Plan Indicator and Market Transformation Indicator Matrix

CPUC Index #	Market Transformation Indicator	Programs
CIA-2	Number and percent of targeted large Non Res Customers who developed a long-term energy plan. (Track by sector Industrial, Ag, Commercial)	Commercial Industrial Agricultural
CIA-10	Number of energy efficiency measures sunsetted in IOU CIA programs and new measures introduced since year [2011]	Commercial Industrial Agricultural
BasicCFL-1	Basic CFLs sold annually as a percentage of all MSB, non-dimming interior bulbs sold in California.	Residential
BasicCFL-2	Price of non-discounted Energy Star qualified MSB CFLs sold in California.	Residential
BasicCFL-3	Saturation of eligible sockets (MSB, non-dimming, interior) with (1) basic CFLs and (2) pre-defined advanced lighting options.	Residential
Appliance-2	Percentage of key appliances sold in California that are Energy Star.	Residential
DeepRetrofit-2	The number of households that elect to perform comprehensive energy upgrades.	Residential
LMT-3	Number of lighting technologies by sector that no longer require IOU program interventions	Residential Non-Residential
NC-2	Percentage of new homes in CA with self-generation capabilities	Residential
NC-5	Penetration rates of ENERGY STAR® manufactured homes in California as compared to homes meeting HUD specifications	Residential
CS-7	Number of Jurisdictions in IOU service territory implementing CEC approved Reach Codes in the Residential and/or Commercial Buildings.	Standards Residential Commercial
HVAC-1	Market share of climate appropriate HVAC equipment. (or Market share of energy efficient climate appropriate equipment.)	Residential Non-Residential
HVAC-2	Percentage of California Residential HVAC installation contractors using Quality Installation guidelines.	Residential
HVAC-3	Percentage of all California Commercial HVAC installation contractors using Quality Installation guidelines. (weighted by size))	Commercial
HVAC-4	Percentage of HVAC units serviced in IOU service territory under a QM Service Agreement.	Residential Non-Residential

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Attachment 4
Energy Division Staff Request for Supplemental Information

Item	Issues/Programmatic Areas	Supplemental Request	Supplemental AL - Appendix B: PIP Revision [Format: PIP - Subprogram (Section)]	Supplemental AL page or Appendix
1.0	Budgets			
1.1	Unspent 2010-2012 funds			
1.1.1	Budgets need to reflect unspent funds from pre-2013 to ensure proper oversight.	PG&E and SCE should submit a revised budget and savings placemat that specifies the total budget for each program, inclusive of unspent funds and compliance budget. Ideally this could be an additional tab within the compliance placemat.	PIP budget tables for the following Programs: Residential Commercial Industrial Agricultural Codes and Standards Emerging Technologies Third Party Programs Government Partners	AL pp. 5-6 Appendix C.1 and C.3
1.1.2	Additional clarity is needed to understand unspent funds and their relation to commitments.	PG&E should submit an updated forecast of current unspent 10-12 funds and how this will apply to project commitments	Intentionally left blank	AL pp. 5-6 Appendix C.3
2.0	Short Term PPMs			
2.0	SDG&E (p. 5) indicates a June 1, 2013 timeline for providing quantitative targets for the program short term PPMs. This seems acceptable, and all IOUs are requested to indicate they will comply with the same date in a refiled compliance AL.	Reference column to left	Intentionally left blank	AL p. 8
3.0	Residential			
3.1	Residential New Construction (RNC)			

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Attachment 4
Energy Division Staff Request for Supplemental Information

Item	Issues/Programmatic Areas	Supplemental Request	Supplemental AL - Appendix B: PIP Revision [Format: PIP - Subprogram (Section)]	Supplemental AL page or Appendix
	New incentive levels- the IOUs did not indicate the start date and incentive level for the "Future Code Preparation" kicker of \$1000/builder that reaches above Title 24 (2008). A Nov 27 2012 CPUC, CEC, IOU meeting agreed that such a kicker need not wait until 2014 to be launched. It was apparently available starting Jan 1, 2012, but the text I the PIP does not recognize this.	We request that relevant text be deleted and the new kicker incentive level, percentage above Title 24 (2008), start date and name are added to the PIP. Also, we request that kickers remaining for NSHP or other are indicated.	Residential – RNC subprogram (Section 4 – CAHP Incentive Rationale, p. 209 Redlined version)	AL p. 9 Appendix A
3.1.1	Request IOUs to confirm incentives that exceed 2010-2012 levels and incentives that provide 50% of IMC at the 20% savings level and above.	Reference column to left	Residential – RNC subprogram (Section 4 – CAHP Incentive Rationale, p. 209 Redlined version)	Intentionally left blank
3.1.2	Update Strategic Plan milestones for CAHP	Reference column to left	Residential – RNC subprogram (Section 5.e., pp. 216-217 Redlined version)	AL p. 9
3.2.	<i>Energy Advisor - Home Energy Reports and Behavior Target</i>			
3.2.1	It is not clear that all IOUs are meeting the directives provided in D. 12-11-015 and D. 12-05-015 to ensure that all IOUs target 5% residential of all households for participation levels in behavioral programs that "are required to employ comparative usage and disclosure, ex-post measurement,	Revise the Energy Advisor PIP and associated Home Energy Report Appendix to indicate that the IOUs are meeting the 5% target of behavior programs using: a) comparative usage and disclosure; b) ex-post measurement; and c) experimental design.	Residential – Energy Advisor (Section 5.c.- 5.d. on pg. 9 Redlined PIP and Table B of EA PIP Tables Attachment)	AL p. 10

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	and experimental design" (p. 76, D. 12-11-015).			
3.2.2	Need better program summaries	We request that the refiled EA PIP indicate the unique budgets, savings, TRCs, and quantitative targets for the various Energy Advisor components. We request that a revised table of program/program element targets for the program indicate the following. IOUs are currently completing a data request for this information. We request that this completed table is also added to the refiled PIP:	Residential – Energy Advisor (Table B of EA PIP Tables Attachment)	AL p. 10
3.2.3	IOUs add language regarding persistence and evaluating savings	Reference column to left	Residential – Energy Advisor (RES PIP Energy Advisor Attachment 1, pp. 22-23 of Redlined version)	AL p. 10
3.2.3	TRCs to be provided for the Home Energy Report component of the EA program.	Reference column to left	Residential – Energy Advisor (Table B of EA PIP Tables Attachment)	AL p. 10
3.3	Plug Load & Appliances (PLA)			
3.3.1	Request IOUs refile with more description on PLA pilot projects and related EM&V (referencing EM&V LT Study Plan)	Reference column to left	Residential – PLA (Section 11.d., pp. 55-59 Redlined version)	Intentionally left blank

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3.3.2	PLA - Training - "may coordinate with Energy Centers to design and implement" should indicate commitment or not	Reference column to left	Residential – PLA (Section 10.i.vii., pg. 46 Redlined version)	Intentionally left blank
3.3.3	PLA- Marketing - need number of specific commitments and budget for numbers of online marketing partnerships that will be executed in 2013-2014.	Reference column to left	Residential – PLA (Section 10.i.vi., pg. 44 Redlined version)	Intentionally left blank
3.3.4	PLA - Included Measures - compliance letter discusses removal of measures and TRC dropped...need more info	Reference column to left	Residential – PLA (Res PIP, Attachment 1, PLA PIP Tables, Table 11)	Intentionally left blank
3.3.5	Table 11 - PLA Attachment 3 is not complete. All IOUs requested to submit a complete list of all IOU measures on one table.	Reference column to left	Residential – PLA (Res PIP, Attachment 1, PLA PIP Tables, Table 11)	Intentionally left blank
3.3.6	Table 3.1 Short Term PPMs - incomplete and out of compliance	Reference column to left	Residential – PLA (Res PIP, Attachment 1, PLA PIP Tables, Table 3.1)	Intentionally left blank
3.3.7	Table 5 - subprogram milestones and timelines is incomplete and included CPUC rather than IOU program milestones.	Reference column to left	Residential – PLA (Res PIP, Attachment 1, PLA PIP Tables, Table 5)	Intentionally left blank
3.3.8	Tables 1, 2 and 8 must be completed in resubmitted PIP.	Reference column to left	Residential – PLA (Res PIP, Attachment 1, PLA PIP Tables, Tables 1, 2 and 8)	Intentionally left blank
3.3.9	PLA trials - need updated plans for ARP trial/pilot	Reference column to left	Residential – PLA (Section 11.d., pp. 55-59 Redlined version)	Intentionally left blank
3.4	<i>Energy Upgrade California</i>			

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	(EUC)			
3.4.1	Major budget cuts for customer rebates, unlikely PG&E will meet high target scenario. Budget was reduced by 29%. If the application filing they had included budgets needed for high, medium and low participation rates and for the high scenario they used \$50M and for the medium they had \$36M, the new budget is \$25M.	In discussions with ED staff, ED staff clarified that the D.12 11 015 specifically does not allow PG&E to count BayREN achievements toward PG&E achievement of high scenario targets.	Residential – EUC (Res PIP Core Section 2, Table 1 - Total Authorized Budget)	AL p.9
4.0	Commercial			
4.1	CEI program dropped	Reinstate budget for CEI subprogram in PIP; in CEI subprogram section of PIP, describe revisions to large customer CEI offering; also describe CEI offering to mid- and small-sized customers, including additional activities that will expand the general components of the Energy Advisor in order to meet Strategic Plan guidance and Commission Decision direction with respect to CEI.	Commercial – CEI Budget (Total Authorized Program Budget, pg. 1)	AL pp. 10-11; Appendix C.1
4.2	Saving by Design	Revise Budget Placemat to include SBD budget. ED staff will follow up on whether further program breakout is feasible in PIPs.	Commercial – Budget (Total Authorized Program Budget, pg. 1)	Appendix C.1

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4.3	Reducing the split-incentive barrier in commercial multi-tenant buildings;	Explanation of this directive in the PIP is very vague. Revise PIP to include how commercial programs will reduce the split incentive barrier in multi-tenant buildings. The PIP should also include a plan for how IOUs will track against this directive.	Commercial – Attachment A	AL p.12
4.4	Focus on Sub-metering and plug load control technologies;	Explanation of this directive in the PIP is very vague. As per the SW Commercial call on February 28, 2013, the IOUs should also be looking into whether the DEER database proposed incentives for these technologies. Please revise PIP to include: (1) numerical targets for how many buildings will integrate sub-metering and plug load control technologies; and (2) how this directive will be tracked throughout the program.	Commercial – Attachment B	AL p.12
4.5	Collecting and utilizing performance data	Explanation of this directive in the PIP is very vague. As per the SW Commercial call on February 28, 2013, revise PIP to include where and how this directive will be implemented. Include how this directive will closely coordinate the finance pilot/programs and how IOUs plan collect performance data to inform finance pilots.	Commercial – Attachment C	AL p.12
4.6	Proposed changes in incentive rates for target custom measures partially addressed.	In follow-up discussions, ED requested specific changes to the calculated incentives.	Commercial – Attachment D and Commercial – Calculated (Section 6 – Program Implementation / iii. Updated Incentive	AL p.11

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Item	Issues/Programmatic Areas	Supplemental Request	Supplemental AL - Appendix B: PIP Revision [Format: PIP - Subprogram (Section)]	Supplemental AL page or Appendix
			Levels)	
5.0	Agriculture			
5.1	CEI program dropped	Reinstate budget for CEI subprogram in PIP; in CEI subprogram section of PIP, describe revisions to large customer CEI offering; also describe CEI offering to mid- and small-sized customers, including additional activities that will expand the general components of the Energy Advisor in order to meet Strategic Plan guidance and Commission Decision direction with respect to CEI.	Agricultural – CEI Budget (Total Authorized Program Budget, pg. 1) Agricultural CEI sub-program description (section 6.4 pg. 83)	AL p. 10; Appendix C.1
5.2	Proposed changes in incentive rates for target custom measures partially addressed.	In follow-up discussions, ED requested specific changes to the calculated incentives.	Agricultural – Calculated (Section 6 – Program Implementation / iii. Updated Incentive Levels)	Intentionally left blank
6.0	Industrial			
6.1	CEI program dropped	Reinstate budget for CEI subprogram in PIP; in CEI subprogram section of PIP, describe revisions to large customer CEI offering; also describe CEI offering to mid- and small-sized customers, including additional activities that will expand the general components of the Energy Advisor in order to meet Strategic Plan guidance and Commission Decision direction with respect to CEI.	Industrial – CEI Budget (Total Authorized Program Budget, pg. 1) Industrial CEI sub-program description (section 6.4 pg. 78)	AL p. 10; Appendix C.1

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6.2	Proposed changes in incentive rates for target custom measures partially addressed.	In follow-up discussions, ED requested specific changes to the calculated incentives.	Industrial – Calculated (Section 6 – Program Implementation / iii. Updated Incentive Levels)	Intentionally left blank
7.0	Lighting			
7.1	Energy Division would like the IOUs to implement the scenario in which downstream lighting measures are reported in the programs under which measures are delivered, and upstream measures are reported in the SW Lighting Program. The Lighting program includes Lighting Market Transformation, Primary Lighting and Lighting Innovation		Lighting (Primary subprogram, Attachment 3.3 Table 11) Commercial, Industrial, Agricultural (Calculated and Deemed subprograms) Residential (MFEER section 4.b)	AL pp. 12-13; Appendix A Appendix C.1 and C.2
8.0	Codes and Standards (C&S)			
8.1	Savings- Gross/Net	Revised PIP tables to illustrate savings Gross/Net with/without interactive effects. PIPs to include savings for C&S in placemats.	C&S – Savings Tables 2.1 and 2.2.	Appendix C.2
9.0	Finance			
9.1	On Bill Financing (OBF)			
9.1.1	OBF Program Supplements	Relationship to rebate/incentive: (Page 7 of statewide PIP) Please clarify this section across the statewide PIP – what rebate/incentive terms the IOUs will offer in 7.1.22013, beginning	Financing – OBF (Section 9)	Intentionally left blank

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		when, and when they might consider changing them, and how. Refer to the decision section that clarifies the CPUC is not asking the IOUs to stop offering rebates with OBF loans. (I do not think the “finance as a resource” issue figures in here. Please explain how it fits if references to it are kept.)		
9.1.2	OBF Program Supplements	Define “site bundling” in the statewide PIP on Page 7	Financing – OBF (Section 9, Subprogram Description, Objectives and Theory)	Intentionally left blank
9.1.3	OBF Program Supplements	Update passages that refer to actions IOUs will take to say when (month/year) they will occur, if they haven’t already: For example the PIP section on “vendor support” on Page 3 of the SDG&E (statewide) PIP says: “Utilities will adopt vendor support guidelines and standard participation agreements to monitor performance, manage customer expectations, and set clear roles and responsibilities for all parties.”	Financing – OBF (Section 10, Program Implementation Details)	Intentionally left blank
9.1.4	OBF Program Supplements	Tables in the PIP template: Where you used a table provided in the PIP template – include it in the body of the PIP, not as an attachment. If you did not use the table, do not attach it and note that in the relevant section of the PIP where the table is referred to. For example, on Page 10 of the SDG&E PIP, Table 9: Contractor Participant Eligibility Requirements (Joint Utility Table) says “See Table 9 in Attachment 2.” There is no information in that table. Please note that rather than referring the reader to an empty table. The same is the case with the next	Financing – OBF (Update Throughout PIP)	Intentionally left blank

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		table, Table 10, and other tables. If the table says "TBD," then note that in the PIP, not in an attachment.		
9.1.5	OBF Program Supplements	Where the narrative and text of your PIP (not budget tables) differs from the statewide PIP that the other IOUs are using, please underline that text so the reader can more easily find it. (For example, on Page 138 SCE says: "The Statewide OBF Team has worked closely to align OBF program features and requirements to the maximum extent possible" These two paragraphs are just in the SCE PIP. Similarly, where IOUs provided an estimate of billing system upgrade costs in their PIPs, the projections differ but they are not easy to find without an underline.	Financing – OBF (PG&E specific sections were updated throughout PIP)	Intentionally left blank
9.2	<i>Continuing ARRA Pilots</i>			
9.2.1	ARRA Pilots	Please profile each ARRA pilot, keeping the information about that pilot in one place in the PIP as much as possible. Please don't intersperse or mix descriptions of different pilots. Information should include ARRA pilot design elements. Make sure to identify those that the pilot is testing that differentiate it from other pilots. These design elements could include but not be limited to elements on the list below.	Financing – Continuing ARRA Pilots (Section 9, Subprogram Description and Theory, pg. 21)	Intentionally left blank
9.2.2	ARRA Pilots	Please provide up front in the ARRA pilot profile a pilot budget that breaks out administrative and marketing costs, the amount available for credit enhancement, etc. Make clear what "incentive"	Financing – Continuing ARRA Pilots (Section 8, Projected Subprogram Budget, Pg. 21)	Intentionally left blank

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		refers to in a budget for a finance program. Provide a budget table for each ARRA pilot where it is profiled. At the beginning of the section on ARRA pilots, provide a high level budget table that combines all ARRA pilot budgets and breaks out the main budget categories. The total spending for ARRA pilots should match the line item in the budget decision.		
9.2.3	ARRA Pilots	If you included savings estimates, please explain the method you used.	Financing – Continuing ARRA Pilots - Section 9 b) Sub-program Energy and Demand Objectives	Intentionally left blank
9.2.4	ARRA Pilots	Include any PIP template tables that are applicable in the profile of the ARRA pilot. Do not attach tables in an appendix, including empty tables you did not need.	Financing – Continuing ARRA Pilots (Updated throughout PIP)	Intentionally left blank
9.2.5	Financing Pilots			
9.2.6	Pilot Design Elements	Customers eligible or targeted, including FICO score range, etc., renters, owners, etc.;	Financing –Financing Pilots Section 9, Program Design Elements (pg. 22)	Intentionally left blank
9.2.7	Pilot Design Elements	Source of private capital. Identify lenders;	Financing –Financing Pilots Section 9, Program Design Elements	Intentionally left blank
9.2.8	Pilot Design Elements	Credit enhancement. Who will hold these funds, what percent are they of loans, etc.	Financing –Financing Pilots Section 9, Program Design Elements	Intentionally left blank
9.2.9	Pilot Design Elements	Relationship to Hub if any;	Financing –Financing Pilots Section 9,	Intentionally left blank

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			Program Design Elements	
9.2.10	Pilot Design Elements	Loan terms – length, interest rate (does it vary by lender or customer?), fees, etc.;	Financing –Financing Pilots Section 9, Program Design Elements	Intentionally left blank
9.2.11	Pilot Design Elements	Any securitization of loan;	Financing –Financing Pilots Section 9, Loan Eligibility Requirements	Intentionally left blank
9.2.12	Pilot Design Elements	Financeable measures? Which IOU or other retrofit programs are involved? Can retrofits be done outside of IOU programs? If solar, DG, water energy measures are included (CHF) explain how they are funded through EE support;	Financing –Financing Pilots Section 9, Eligible Measures and integration with IOU programs	Intentionally left blank
9.2.13	Pilot Design Elements	Contractor eligibility and any QA;	Financing –Financing Pilots Section 9, Contractor eligibility and QA	Intentionally left blank
9.2.14	Pilot Design Elements	Any project QC, audits before or after, by what percent sample, etc.;	Financing –Financing Pilots Section 9 of the ARRA programs	Intentionally left blank
9.2.15	Pilot Design Elements	Credit checks: based on what? Explain “meets responsible lending criteria.”	Financing Pilots Section 9 of the ARRA programs	Intentionally left blank
9.2.16	Pilot Design Elements	Explain process of how loan transaction begins. Is it contractor or bank driven? What role does the contractor play versus the bank or other lender? How do funds flow: where does capital come from? How is it collected? How is lender paid back? What is the process in case of default or partial payment? Etc.;	Financing Pilots Section 9 of the ARRA programs	Intentionally left blank

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9.2.17	Pilot Design Elements	Targets of number of loans, size of loans, dollars loaned, type of customer reached, etc.;	Financing Pilots Section 9 of the ARRA programs	Intentionally left blank
9.2.18	Pilot Design Elements	Milestones in roll out of program through 2014;	Financing Pilots Section 9 of the ARRA programs	Intentionally left blank
9.2.19	Pilot Design Elements	Identify where finance pilots overlap in geographical territory if they serve the same customers;	Financing Pilots Section 9 of the ARRA programs	Intentionally left blank
9.2.20	Pilot Design Elements	Highlight and explain any other aspects of the pilot design that characterize it or distinguish it.	Financing Pilots Section 9 of the ARRA programs	Intentionally left blank
9.2.21	Logic Models	PG&E – Empower SBC logic model is not readable; CHF logic model seems to be missing a lot of information (Same in SCE PIP)	Financing Pilots Section 9, Program Logic Models for empower SBC and CHF	Intentionally left blank
10.0	Third Party			
10.1	IDEEA365 - Table 5 is useful and should be completed by all IOUs, especially the date to issue their RFP	With the understanding that IDEEA 365 is not a subprogram, ED requests an updated Table 5 to be included in the IDEEA365 revised PIP. Table 5 would allow ED to have a better understanding of the schedule for which ED input is needed/useful for the IOU PRG's with respect to RFAs and RFPs. While PG&E and SCE did not fill out this table, they have both already hosted PRGs. Sempra started to complete Table 5, but left no identified date for when the RFP will be issued. Revise PIP to insert Table 5 with the best available information.	IDEEA365 – Table 5	Intentionally left blank

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10.2	IDEEA 365 Program - language for non-resource to be an option for innovative solicitation	Revise PIP language for IDEEA365 Program to acknowledge that non-resource program designs are eligible under the second solicitation that promotes "innovation".	IDEEA365 (Section 2)	AL p. 16
10.3	PRG must include ED Correct language re PRG – it must shape the process not only provide feedback after the fact.	Update PIP language that PRG must include Energy Division, and specify that PRG will shape the process not only provide feedback after the fact.	IDEEA365 (Section 2)	AL p. 16
11.0	Government Partnerships (GP)			
11.1	Concern regarding expansion of partnerships (justified only where deep retrofits or deep efficiencies are incorporated).	PG&E and ED worked closely to ensure partnership expansion is focused on achieving deep energy savings. As part of this effort, a consistent definition of deep savings was established across the IOUs.	Master GP LGEAR (Section 4.4)	AL p. 17

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Advice Filing List
General Order 96-B, Section IV**

1st Light Energy	Douglass & Liddell	North America Power Partners
AT&T	Downey & Brand	Occidental Energy Marketing, Inc.
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	OnGrid Solar
Anderson & Poole	G. A. Krause & Assoc.	Pacific Gas and Electric Company
BART	GenOn Energy Inc.	Praxair
Barkovich & Yap, Inc.	GenOn Energy, Inc.	Regulatory & Cogeneration Service, Inc.
Bartle Wells Associates	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCD Energy Solutions
Bear Valley Electric Service	Green Power Institute	SCE
Braun Blaising McLaughlin, P.C.	Hanna & Morton	SDG&E and SoCalGas
California Cotton Ginners & Growers Assn	In House Energy	SPURR
California Energy Commission	International Power Technology	San Francisco Public Utilities Commission
California Public Utilities Commission	Intestate Gas Services, Inc.	Seattle City Light
Calpine	Kelly Group	Sempra Utilities
Casner, Steve	Lawrence Berkeley National Lab	SoCalGas
Cenergy Power	Linde	Southern California Edison Company
Center for Biological Diversity	Los Angeles Dept of Water & Power	Sun Light & Power
City of Palo Alto	MAC Lighting Consulting	Sunshine Design
City of San Jose	MRW & Associates	Tecogen, Inc.
Clean Power	Manatt Phelps Phillips	Tiger Natural Gas, Inc.
Coast Economic Consulting	Marin Energy Authority	TransCanada
Commercial Energy	McKenna Long & Aldridge LLP	Utility Cost Management
Consumer Federation of California	McKenzie & Associates	Utility Power Solutions
Crossborder Energy	Modesto Irrigation District	Utility Specialists
Davis Wright Tremaine LLP	Morgan Stanley	Verizon
Day Carter Murphy	NLine Energy, Inc.	Water and Energy Consulting
Defense Energy Support Center	NRG Solar	Wellhead Electric Company
Dept of General Services	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)