

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



April 17, 2014

Advice Letters 3462-G and 4381-E

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

**Subject: Increase in Incentive Levels for Statewide Measures Offered in PG&Es
Commercial, Industrial, Agricultural, and Residential
Energy Efficiency Programs**

Dear Mr. Cherry:

Advice Letters 3462-G and 4381-E are effective April 23, 2014.

Sincerely,

A handwritten signature in cursive script that reads "Edward F. Randolph".

Edward F. Randolph, Director
Energy Division

March 24, 2014

Advice 3462-G/4381-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Increase in Incentive Levels for Statewide Measures Offered in PG&E's Commercial, Industrial, Agricultural and Residential Energy Efficiency Programs

Purpose

Pursuant to California Public Utilities Commission (Commission or CPUC) Decision (D.) 05-09-043, Pacific Gas and Electric Company (PG&E) hereby submits for approval, increases in incentive levels for statewide energy saving measures offered in its Commercial, Industrial, Agricultural and Residential Energy Efficiency (EE) programs.

Background

This advice letter (AL) requests a change in incentive levels for statewide measures offered in PG&E's EE programs, where the changes exceed 50 percent of the original incentive level. PG&E is required to file its request by AL, consistent with recent guidance provided by the Commission's Energy Division Director on January 22, 2014, in the Letter of Disposition to Advice Letter SCE 2979-E, which states: "D.05-09-043 does require an AL filing if the incentive change exceeds 50%." As noted below, PG&E implemented the incentive level changes prior to filing this advice letter as a result of conflicting direction on whether an advice letter was required;¹ and some of the incentive level changes are within the incentive range previously approved by the Commission.

¹ PG&E notes that the Energy Efficiency Policy Manual Version 5 (July 2013), issued on August 23, 2013, incorporated, without reference to D.05-09-043, clarification from Assigned Commissioner Ruling dated December 22, 2011, stating: "Changes to incentive levels or modifications to program design (such as changes to customer eligibility requirements) will not trigger Energy Division or formal Commission review. Program administrators will notify the Commission of all incentive level changes that take place through the Program Implementation Plan Addendum process" (see Attachment A, p. 2).

Request For Approval

1. Statewide measure incentives which increased by more than 50 percent

PG&E is requesting approval for the incentive levels which increased by more than 50 percent for the statewide measures identified below that are offered through its EE programs. PG&E implemented these changes January 1, 2014.

Residential HVAC Subprogram

The measures below are offered in the Residential HVAC subprogram. The increases indicated for the HVAC Quality Maintenance Assessment and Refrigerant System Service Assessment measures will help drive increased participation by seeking to address market barriers identified by program participants and will help offset sunseting of the Airflow Correction measure.

Measure	Original Incentive Level	Revised Incentive Level
Residential QM Assessment	\$50	\$100
Refrigerant System Service Assessment	\$50	\$100 ²

Commercial, Industrial and Agricultural Deemed Subprograms

The measures below are offered in PG&E's Deemed Incentives subprograms in the Commercial, Industrial and Agricultural programs. The measures were offered at a lower incentive level in 2013 than in the prior program cycle. A review of 2013 participation found the incentive levels did not gain enough market traction when compared to the prior cycle's performance. The increased incentive levels should spur additional adoption for these measures.

Measure	Original Incentive Level	Revised Incentive Level
Linear Fluorescent High Bay <=128W Replacing 101 - 175W	\$25	\$40
Linear Fluorescent High Bay 245-360 Replacing 400W	\$45	\$90
Linear Fluorescent High Bay < 244 Replacing 400W	\$75	\$125
28W T8 replacing 32W T8	\$0.50	\$1 ²
Linear Fluorescent High Bay <= 64W Replacing <= 100 W	\$10	\$20 ²
Space Heating Boilers – Gas – Large	\$0.25 ³	\$1 ³
High Efficiency Large Boiler (>300 MBTU/HR)	\$0.25 ³	\$1 ³

² PG&E notes the revised incentive levels for the referenced measures fall within the maximum incentive levels authorized in Program Implementations Plans adopted in PG&E's Compliance Advice 3356-G-A/4176-E-A (see Appendices B.1 Residential Program, B.2 Commercial Program, B.3 Agricultural Program, B.4 Industrial Program).

³ Per kBtu/hr

2. Statewide measure incentives which decreased by more than 50 percent

PG&E is requesting approval for the incentive levels which decreased by more than 50 percent for the statewide measures identified below that are offered through its Commercial HVAC Subprogram. The rebate levels were decreased significantly because PG&E had achieved significant market uptake and determined reduced rebate levels could increase program cost-effectiveness while still achieving appropriate levels of uptake. PG&E implemented these changes August 1, 2013.

Measure	Original Incentive Level (per ton)	Revised Incentive Level (per ton)
VRF Heat Pump <960 kBtuh (<80 tons)	\$825	\$330 ²
VRF Heat Pump >960 kBtuh (>80 tons)	\$525	\$210 ²
VRF Heat Recovery <960 kBtuh (<80 tons)	\$1,275	\$510 ²
VRF Heat Recovery >960 kBtuh (>80 tons)	\$975	\$390 ²

PG&E will update its Program Implementation Plans (PIPs) through the PIP Addendum process, upon disposition of this AL.

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than April 14, 2014, which is 21 days after the date of this filing.⁴ Protests must be submitted to:

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

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

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

The protest 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:

⁴ The 20 day protest period concludes on a Sunday. PG&E hereby moves this date to the following business day.

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

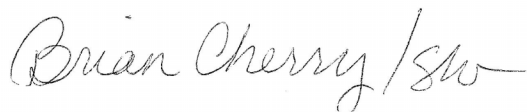
Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal 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, Section 3.11).

Effective Date

PG&E requests that this Tier 2 advice filing be approved on regular notice, April 23, 2014, which is 30 calendar days after the date of filing. PG&E requests that the incentive level changes be allowed to go into effect as of the implementation dates described above.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.13-11-005. 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 /sw".

Vice President, Regulatory Relations

cc: Service List R.13-11-005

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) #: **3462-G/4381-E**

Tier: **2**

Subject of AL: **Increase in Incentive Levels for Statewide Measures Offered in PG&E's Commercial, Industrial, Agricultural and Residential Energy Efficiency Programs**

Keywords (choose from CPUC listing): **Compliance, Energy Efficiency**

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: **Decision 05-09-043**

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: **April 23, 2014**

No. of tariff sheets: **N/A**

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

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

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

Tariff schedules affected: **N/A**

Service affected and changes proposed: **N/A**

Protests, dispositions, and all other correspondence regarding this AL are due no later than 21 days¹ 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**

¹ The 20 day protest period concludes on a Sunday. PG&E hereby moves this date to the following business day.

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

1st Light Energy	Douglass & Liddell	Occidental Energy Marketing, Inc.
AT&T	Downey & Brand	OnGrid Solar
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	Pacific Gas and Electric Company
Anderson & Poole	G. A. Krause & Assoc.	Praxair
BART	GenOn Energy Inc.	Regulatory & Cogeneration Service, Inc.
Barkovich & Yap, Inc.	GenOn Energy, Inc.	SCD Energy Solutions
Bartle Wells Associates	Goodin, MacBride, Squeri, Schlotz & Ritchie	SCE
Braun Blasing McLaughlin, P.C.	Green Power Institute	SDG&E and SoCalGas
California Cotton Ginners & Growers Assn	Hanna & Morton	SPURR
California Energy Commission	In House Energy	San Francisco Public Utilities Commission
California Public Utilities Commission	International Power Technology	Seattle City Light
California State Association of Counties	Intestate Gas Services, Inc.	Sempra Utilities
Calpine	K&L Gates LLP	SoCalGas
Casner, Steve	Kelly Group	Southern California Edison Company
Cenergy Power	Linde	Spark Energy
Center for Biological Diversity	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
City of Palo Alto	Los Angeles Dept of Water & Power	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
County of Tehama - Department of Public Works	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)
Division of Ratepayer Advocates	North America Power Partners	