

Decision 20-02-003 February 6, 2020

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Joint Application of Southern California Edison Company (U338E), Pacific Gas & Electric Company (U39E), and San Diego Gas & Electric Company (U902E) for Approval of the Research Administration Plan for the Electric Program Investment Charge.

Application 19-04-026

DECISION APPROVING RESEARCH ADMINISTRATION PLAN APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC COMPANY FOR THE ELECTRIC PROGRAM INVESTMENT CHARGE PROGRAM FOR THE YEARS 2018 THROUGH 2020

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**DECISION APPROVING RESEARCH ADMINISTRATION PLAN
APPLICATION OF PACIFIC GAS AND ELECTRIC COMPANY, SOUTHERN
CALIFORNIA EDISON COMPANY, AND SAN DIEGO GAS & ELECTRIC
COMPANY FOR THE ELECTRIC PROGRAM INVESTMENT CHARGE
PROGRAM FOR THE YEARS 2018 THROUGH 2020**

Summary

This decision approves the Research Administration Plan (RAP) application of Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), and San Diego Gas & Electric Company (SDG&E) (collectively, the Joint Applicants) for the Electric Program Investment Charge Program (EPIC) for the years 2018 through 2020. As a result of this decision, PG&E, SCE, and SDG&E are entitled to encumber, commit, and spend the entireties of all monies authorized to each pursuant to EPIC for the years 2018 through 2020. We also find that the Joint Applicants' RAP is sufficient but that alternative administrative structures should be considered for any future EPIC funding cycles. This decision also entitles SCE to modify its 2018-2020 EPIC application projects by withdrawing its Reliability Dashboard Tools project and replacing it with a Wildfire Prevention & Resiliency Technology Demonstration project, and by withdrawing its Beyond The Meter Phase 2 project and replacing it with a Beyond Lithium-Ion Energy Storage Demonstration project.

This proceeding is closed.

1. Background

1.1. Electric Program Investment Charge Program

The Electric Program Investment Charge Program (EPIC) is an energy innovation funding program established under the authority of the California Public Utilities Commission (Commission). Organized around three program areas – Applied Research and Development (R&D), Technology Demonstration and Deployment (TD&D), and Market Facilitation – EPIC seeks to drive

efficient, coordinated investment in new and emerging energy solutions. By the end of this investment cycle, EPIC funds will have directly supported investments totaling over \$1.5 billion¹ (additionally, EPIC has attracted significant matching funding).

EPIC investments are funded under the authorization of the Commission pursuant to Decision (D.) 11-12-035. Decision 12-05-037 designated the California Energy Commission (CEC), and designated Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE) and San Diego Gas & Electric Company (SDG&E) (collectively, the Joint Applicants), as the administrators of the program.² The program has three triennial periods, which have run 2012-2014, 2015-2017, and 2018-2020 (also known respectively as EPIC I, EPIC II, and EPIC III).

The Commission is required to conduct a public proceeding in each triennial period, to review and approve the investment plans of each EPIC administrator. This review and approval process helps ensure coordinated public interest investment in clean energy technologies and approaches. The last such review was finalized in D.18-10-052.

Decision 12-05-037 had determined that an independent evaluation of the Program should be conducted in 2016, and outside contractor Evergreen Economics (Evergreen) completed that evaluation in 2017. The Evergreen Evaluation Report reached several key findings:³

¹ D.18-10-052 at 3.

² CEC administers 80% and PG&E, SCE, and SDG&E administer 20% of the total EPIC funding (D.18-01-008 at 4).

³ D.18-10-052 at 145, Finding of Fact 6. A summary of the Evergreen evaluation recommendations is found in Appendix B of D.18-10-052, and the entirety of the Evergreen Evaluation Report is referenced in footnote 6 of D.18-10-052.

- The EPIC administrators are in compliance with the *letter* of EPIC program requirements, but could better fulfill the *spirit* of some requirements;
- Each project in the EPIC project portfolio is meeting its objectives, but it is unclear if the portfolio as a whole is optimized;
- There is a need to prioritize among EPIC's many objectives;
- There is a need to supplement the administrative structure by convening an independent body to coordinate, facilitate and lend technical expertise; and
- The utility administrators, while technically in compliance with program requirements, could improve upon information sharing and stakeholder engagement.

To remedy the situation where the utilities' administration of their respective EPIC programs falls short of peer program best practices while balancing the need to avoid disruptive changes during the current investment cycle, D.18-10-052 required the Joint Applicants to file a joint Research Administration Plan (RAP) to set forth their responses to "immediately develop and implement reasonable process improvements that are responsive"⁴ to specific Evergreen's findings and recommendations, as identified in D.18-10-052 Appendix A. Decision 18-10-052 further stated that the Joint Applicants "shall not encumber or otherwise commit to spend one-third of their 2018-2020 EPIC funding allocation until they are authorized to do so by a subsequent decision that addresses the joint [RAP]."⁵

⁴ D.18-10-052 at 147, Finding of Fact 7.

⁵ These one-third holdbacks amount to \$16.6M for PG&E, \$13.6 for SCE, and \$2.9M for SDG&E (Joint Response to Administrative Law Judge's Ruling Requiring Joint Applicant Responses to Questions at D1-D3).

Pursuant to D.18-10-052, this RAP proceeding is intended to expressly review the Joint Applicants' administrative program responses to Evergreen's evaluation recommendations, and thereby determine whether the Joint Applicants should now be entitled to the remaining one-third of their 2018-2020 EPIC funding applications. We also note that we have recently opened Rulemaking (R.) 19-10-005 to consider the future of EPIC funding and other programmatic considerations, and several of our conclusions herein will be relevant to that rulemaking.

1.2. Procedural Background

On April 23, 2019,⁶ the Joint Applicants filed their Joint Application for approval of their EPIC RAP plan. The Joint Application asserted that it complied with D.18-10-052, Section 3.3.2, requiring the approval of a joint RAP application. The Joint Application detailed the Joint Applicants' engagement and collaboration efforts, responses to the Evergreen recommendations, and identified SCE's proposed modifications to its 2018-2020 investment plan.

On June 3, 2019, the Public Advocates Office (Cal Advocates) filed its Protest. It asserted that the issues to be considered included whether the Joint Application was procedurally sufficient under the Commission's Rules of Practice and Procedure (Rules); whether the Joint Application addressed and reasonably sought to implement the Evergreen recommendations; and, whether the Joint Applicants should each be entitled to the remaining one-third of their respective 2018-2020 EPIC funding applications. On June 13, 2019, the Joint Applicants filed a Response to Cal Advocates' Protest, asserting that the Joint Application complied with D.18-10-052.

⁶ While the Joint Application was deemed filed on April 23, 2019, it first appeared on the Commission's Daily Calendar on May 3, 2019.

On June 3, 2019, the California Energy Storage Alliance (CESA), an industrial trade association involved in energy storage, filed a Response to the Application. It asserted that EPIC is an important program to advance energy innovation. In particular, it sought to support SCE's proposed modification of its EPIC investment plan to study technologies for long-duration energy storage.

On July 1, 2019, the assigned Administrative Law Judge (ALJ) issued a Ruling requiring the parties to file Prehearing Conference (PHC) Statements addressing ten specific questions in addition to submitting a list of proposed scoping issues. On July 9, Joint Applicants and Cal Advocates filed PHC Statements responsive to the ALJ Ruling.⁷ These PHC Statements were useful in preparing the issues to be discussed at the PHC.

On July 12, 2019, the PHC was held to discuss the proceeding's issues of law and fact, determine the need for evidentiary hearing, and schedule the remainder of the proceeding.

On August 9, 2019, the assigned Commissioner issued a Scoping Memo and Ruling in which the proceeding's issues were identified, the schedule was established, and it was determined that the proceeding did not require an evidentiary hearing as the parties had asserted that party briefings would be sufficient to address the proceeding's issues.⁸ The Scoping Memo set out an August 30, 2019 deadline requirement for "[a]ll party initial comments addressing scoping issues [to be] filed and served."

Also on August 9, 2019, issued concomitantly with the Scoping Memo, an ALJ Ruling was issued directing the Joint Applicants to file responses to a set of

⁷ CESA's PHC Statement did not provide substantive responses.

⁸ On July 26, 2019, in response to an oral PHC Ruling, the Joint Applicants moved to file a Supplemental Exhibit (regarding EPIC project accounting): that motion is granted.

questions regarding the Joint Application and regarding their involvement in the EPIC program, and enabling other parties to respond as well.

On August 30, 2019, the Joint Applicants timely filed their Response to the ALJ Ruling. On August 30, 2019, CESA filed its Comments to Scoping Memo and response to the ALJ Ruling. On September 20, 2019, Cal Advocates filed its Comments to the Scoping Memo. On October 4, 2019, the Joint Applicants filed a Reply to Cal Advocates' response. At that time, the matter was deemed submitted.

2. Jurisdiction

This proceeding is brought subject to the requirements set forth by D.18-10-052. Therefore, by extension this proceeding's jurisdictional authority is conferred under D.11-12-035, which was the initial proceeding that created the EPIC program. In turn, D.11-12-035 expressly based its jurisdiction on Public Utilities (Pub. Util.) Code § 399.8, which reads in pertinent part as follows:

(a) In order to ensure that the citizens of this state continue to receive safe, reliable, affordable, and environmentally sustainable electric service, it is the policy of this state and the intent of the Legislature that prudent investments in energy efficiency, renewable energy, and research, development and demonstration shall continue to be made.

(b)(1) Every customer of an electrical corporation shall pay a nonbypassable system benefits charge authorized pursuant to this article. The system benefits charge shall fund energy efficiency, renewable energy, and research, development and demonstration.

(2) Local publicly owned electric utilities shall continue to collect and administer system benefits charges pursuant to Section 385.

(c)(1) The commission shall require each electrical corporation to identify a separate rate component to collect revenues to fund energy efficiency, renewable energy, and research,

development and demonstration programs authorized pursuant to this section...

Lastly, this decision is within the innate authority conferred upon the Commission in Pub. Util. Code § 451 to ensure that “[a]ll charges... received by any public utility, or by any two or more public utilities, for any product or commodity furnished or to be furnished or any service rendered or to be rendered shall be just and reasonable.”

3. Issues Before the Commission

As set forth in the Scoping Memo, the issues to be determined in this proceeding are as follows:

1. Does the Application comply with all applicable requirements found in the Commission’s procedural rules?
2. Does the Application comply with all applicable requirements found in Commission Decision D.18-10-052 and other applicable Commission Decisions?
3. Do the replacement projects proposed by SCE meet the applicable requirements found in D.18-10-052 and other application Commission Decisions?

Regarding these issues, in brief, the party positions are as follows:

In combined argument, the Joint Applicants contend their Joint Application complies with both the form and substance requirements set forth in the Commission’s Rules and in D.18-10-052 Section 3.3.2 and Appendix B.⁹ By contrast, Cal Advocates contend the Joint Application does not comply with the form and substance requirements set forth in the Commission’s Rules and in D.18-10-052.¹⁰

⁹ Joint Application at 2.

¹⁰ Protest of Cal Advocates at 3.

Also, SCE contends that the replacement projects it proposes for its EPIC III investment plan comply with Commission decisions as a part of a re-assessment of available commercial products and was made after review of priorities and in communication with other EPIC administrators.^{11, 12}

Cal Advocates contends that SCE's replacement projects fail to meet the EPIC TD&D definition because SCE attempts to expand that definition beyond pre-commercial technologies and its replacement technologies are themselves commercially available.¹³

4. Discussion and Analysis of EPIC RAP Joint Application

4.1. The Joint Application is Sufficiently Compliant with the Commission's Rules

The Joint Application is unusual in that it does not strictly adhere to the conventional formatting for the contents of a ratesetting application. For example, it fails to expressly identify the issues to be considered, need for hearing, or a proposed schedule. In these regards, it does not expressly conform to Rule 2.1.

Joint Applicants argue that the Joint Application is compliant with the Rule 2.1 provision requiring that "[a]ll applications shall state clearly and concisely the authorization or relief sought." Joint Applicants contend that the Joint Application expressly identifies its nature as seeking to comply with the

¹¹ August 30, 2019, Joint Responses of Joint Applicants to ALJ Ruling at 12-18.

¹² For its part, CESA limits its comments to supporting and joining SCE in the contention that the energy storage replacement project is timely and provides benefits to SCE ratepayers. (August 30, 2019, CESA Comments *passim*.)

¹³ Cal Advocates' Comments at 3-7.

directives found in D.18-10-052 Ordering Paragraph 5. Joint Applicants' contention is accepted.

Decision 18-10-052 Ordering Paragraph 5 states that "[Joint Applicants] shall jointly prepare and serve a Research Administration Plan as described in Section 3.3.2 of this decision." Section 3.3.2, in turn, lays out a series of bullet-pointed detailed provisions under the heading "Required Application elements."¹⁴

The provisions found in Section 3.3.2 are specific beyond the generalized requirements identified in Rule 2.1. This greater specificity, coupled with the unique and particular nature of D.18-10-052 Ordering Paragraph 5, relieves the Joint Applicants of a duty of strict compliance with the Rule 2.1 requirements. While the Commission's procedural review of the Joint Application would have benefited from application conventions such as learning the Joint Applicants' position regarding the need for hearing and a proposed schedule, these issues were in fact identified and discussed at the PHC and were implemented in the Scoping Memo, and therefore the Commission was not without means to fill in the blanks left by the Joint Application.

Consequently, while not ideal, the Joint Application clearly complied with the specificity required under D.18-10-052, and therefore was sufficiently compliant with Rule 2.1.

¹⁴ D.18-10-052 at 39-40.

4.2. The Joint Application is Sufficiently Compliant with Applicable Requirements Found in Commission Decision D.18-10-052 and Other Applicable Commission Decisions

The Joint Application’s primary task is to comply with D.18-10-052, and more particularly with Section 3.3.2 found therein. As D.18-10-052 framed its concern in part (borrowing from the language of the Evergreen Evaluation), “[t]he EPIC administrators are in compliance with the *letter* of the EPIC program requirements, but could better fulfill the *spirit* of some requirements.”¹⁵ (Emphasis as in the original.) Joint Applicants have proposed a series of additional EPIC measures they will undertake in fulfillment of Section 3.3.2’s identified “Required Application elements” to ensure improved compliance with the EPIC program, and, with some comment, the Commission accepts the Joint Application as sufficiently compliant in those important regards.

In brief, D.18-10-052 Section 3.3.2 directed the Joint Applicants to submit a joint RAP application detailing the immediate steps each administrator would take to implement the Evergreen Evaluation recommendations that D.18-10-052 required the RAP to address, including proposed tracking and reporting systems, as well as improving stakeholder engagement and transparency throughout the entire investment planning and implementation process.¹⁶ Further, D.18-10-052 directed that the Joint Application must document efforts undertaken to consult with the CEC and conduct workshops with invited stakeholders, including disadvantaged communities (DACs) and peer R&D programs. Lastly, D.18-10-052 directed that any utility seeking to modify any

¹⁵ D.18-10-052 at 6.

¹⁶ D.18-10-052, Appendix B.

recent EPIC investment application project, or to withdraw a project and replace it with another, must explain the necessity and programmatic consistency for doing so.

First, the Joint Application, in conjunction with the Joint Applicants' subsequently-filed information, sufficiently complies with these requirements. Second, the Joint Applicants document their outreach efforts, and explain how they have, and will continue to, improve their administration efforts. Third, SCE provided enough support to justify modifying its prior investment plan application, including replacing certain projects with certain other projects. We recognize the interim improvements the Joint Applicants have made to strengthen the administration of EPIC III for the remaining program cycle. Our remaining concerns about the Joint Applicants' administration warrant further consideration of future program changes.

4.2.1. Joint Applicants' Adequate Measures to Address the Evergreen Recommendations

A. Recommendation 1a: Justification for non-competitive bidding

Evergreen recommended that administrators should provide more information to justify situations in which they employ non-competitive bidding. More particularly regarding the subject of non-competitive bidding, D.18-10-052 had directed as follows:

[I]f the IOUs include any additional use of non-competitive bidding during the 2018-2020 investment cycle, they should include notification of the Commission in the joint RAP application that they will submit pursuant to this decision. This notification should include the specific justification for its use, the funding amount being directly awarded, the total

project budget, and an overall updated total for direct awards and competitive awards for this investment plan cycle.¹⁷

In their Joint Application, and bolstered in subsequent filings, the Joint Applicants (responding separately in the Joint Application, and jointly in subsequent filings) indicate that they will provide greater transparency, primarily in the form of Direct Award Request Forms in their respective Annual reports, with explanations regarding the type of work, the reasons for the awards, and the total amount. They will update the project section template accordingly. In so doing, they will each comply with the directives set forth in D.18-10-052, as well as the Evergreen recommendation.

Regarding the threshold for non-competitive bidding, each utility provided a different concept: SCE set its threshold for direct award contracts under \$100,000; PG&E set its threshold for direct award contracts under \$250,000; and SDG&E stated that it employs direct award contracts where “where resources are unique or when the cost of competition is not justifiable due to the small size of the contract envisioned.”¹⁸ This additional information is sufficient for now, and R.19-05-005 may address the appropriate threshold for requiring competitive bidding and the appropriate threshold for requiring demonstration that only a sole supplier was available for the subject resource.

B. Recommendation 1c: Accounting for non-competitive bidding

Evergreen recommended that administrators should provide more information to enable the Commission to readily understand the percentage of EPIC funding that was being awarded through non-competitive bidding. In

¹⁷ D.18-10-052 at 23.

¹⁸ Joint Application at 9-10.

their Joint Application, and bolstered in subsequent filings, the Joint Applicants (responding separately in the Joint Application, and jointly in subsequent filings) essentially confirm that they will provide just such accounting as they move forward with their EPIC reporting, by including justification and accounting for sole-source contracts in their annual reports. The Joint Application notes that for spending in the third EPIC triennial, to date this issue only applies to SCE, and SCE supplied a Joint Application Appendix providing this information.

C. Recommendation 2b: Supporting EPIC policy goals through categorization of projects by technology type and/or policy area

Evergreen recommended that administrators should provide more information to enable the Commission to readily understand the technology type and/or policy area of each proposed administrator project, to ensure the projects were aligned with the Commission's policy goals. In their Joint Application, and bolstered by subsequent filings, the Joint Applicants jointly responded that they would improve and update the project comparison matrix. They proposed that this would be accomplished by mapping projects to policy areas and Commission proceedings and identifying technologies and coordinating these in a matrix with the CEC (*i.e.*, there would be a single centralized administrator database). In their later filings, the Joint Applicants indicated that while they have not yet finalized a draft version of the enhanced matrix, they would solicit the Commission's Energy Division staff for feedback prior to implementation.

While the Joint Applicant administrators' response here reflects incremental improvement, their efforts fell short of our expectation. It seems reasonable for the Joint Applicants to present an enhanced updated project comparison matrix, rather than simply stating their agreement to align the

reporting categories with the CEC. Further, there does not appear to have been sufficient effort here to go beyond planned improvement to the matrix, which was not the only way administrators could implement improved coordination and alignment. In short, we are disappointed that, given the direction and opportunity to improve in this area, the response was limited and ministerial. We also note that the CEC's Energy Innovation Showcase is already in existence and is a separate effort from that which the Joint Applicants' administrators are obligated to create.

An updated matrix would be useful for avoiding duplications as new solicitations are released and as new projects are initiated for EPIC III. We expect all EPIC administrators to continue working together and genuinely making the efforts to avoid duplication and to maximize their investment coverage across the EPIC portfolio for the remaining program cycle. These efforts to improve the matrix will be a requirement placed upon the Joint Applicants by this decision.

D. Recommendations 2d and 2e: Earlier engagement of stakeholders with more comprehensive information

Evergreen recommended that administrators should engage more stakeholders earlier in the investment planning process (Recommendation 2d), and provide those stakeholders with more comprehensive information regarding their proposed projects (Recommendation 2e). In their Joint Application, and bolstered by subsequent filings, the Joint Applicants (responding separately in the Joint Application, and jointly in subsequent filings) essentially responded that they agreed with each Recommendation, and proposed solutions.

Regarding engaging more stakeholders earlier in the investment planning process (2d), Joint Applicants identified additional channels to share project information prior to a new project launch. However, given that the present

investment cycle's planning has passed, applying such measures would be implemented at the outset of a possible future investment cycle. Earlier engagement of more stakeholders must be a generally-applied practice as the Joint Applicants implement their portfolio.

Regarding sharing more information with the public once the investment plan is approved (2e) (also found in D.18-10-052),¹⁹ Joint Applicants identified additional channels to share project progress while projects are in-flight. Joint Applicants affirmed that they would "leverage the valuable feedback received from DAC representatives during the RAP planning process to improve the attendance and participation of future EPIC stakeholder engagements."²⁰

In later filings, the Joint Applicants additionally offered that administrators will engage stakeholders with 30 days' notice; will employ mass email-outreach, post event notices on their websites, and use targeted email and phone outreach; and will provide feedback opportunities during and after presentations and up to 30 days after engagements.²¹ The administrators report they will "socialize the feedback received with their internal project teams and other key project stakeholders."²² Lastly, the Joint Applicants also noted that they will employ Workshop improvements including providing more information on projects in their Workshop materials and soliciting more stakeholder input throughout the Workshops.²³

¹⁹ D.18-10-052 at 34.

²⁰ Joint Application at 13.

²¹ October 4, 2019, Joint Applicants' Reply.

²² August 30, 2019, Joint Applicants' Response at 4.

²³ *Ibid.*

We recognize and appreciate that this subject of stakeholder outreach reflects the Joint Applicants' most substantive improvements through the implementation of beneficial changes in line with the spirit of the Evergreen recommendations. Yet, the Joint Applicants still fall short of "best practices." One of the fundamental motivators for improved stakeholder outreach -- the genesis for Recommendation 2e -- was the Joint Applicants' failure to provide sufficiently comprehensive information about what they are planning or how they are handling outside stakeholder responses. The Evergreen Evaluation Report noted as follows:

The EPIC administrators hold stakeholder workshops, document public comments and respond to these remarks in each of their Investment Plans, as required by the CPUC. However, the IOUs do not provide comprehensive information about their draft plans when they conduct stakeholder workshops, and, according to stakeholders, allow little time for input.²⁴

Here, while the outreach and engagement process practices are sound, the Joint Applicants still do not make specific commitment regarding the comprehensiveness of the information to be shared, stating that they will access more outreach channels but not committing to sharing more information through those channels. Improved website postings and email outreach will only support informed and engaged stakeholder coordination if they contain relevant, timely, and appropriately technical details for interested stakeholders. For example, this means providing usefully detailed information regarding what a planned project will focus on, what the demonstration approach will be, what types of partner expertise may be needed, et cetera. We expect the Joint Applicants to have

²⁴ Evergreen Evaluation Report, page 11-9

provided additional specifics as to the comprehensive information they intend to share.

At this point, more than two years after the release of the Evergreen Evaluation Report, this Commission should not have to be directing this kind of detailed response from the Joint Applicants. In comments to the Proposed Decision, the Joint Applicants note that the RAP included plans to do more stakeholder engagement and share project proposals and budgets one month prior to project launch. Yet that still somewhat misses the point, which is that the utilities lack additional specific commitment about the substance of the EPIC information they will share.

We find the Joint Applicants have identified viable approaches for improving stakeholder engagement and information sharing for the remaining EPIC III implementation. At the same time, we acknowledge they could have done more to expand the reach of the program and to provide additional information relevant to the diverse demographic and varying stakeholder groups in California. This finding is consistent with the direction provided in D.18-10-052 to consider in a future rulemaking how the program engages with stakeholders and shares information in a future rulemaking.

E. Recommendation 3a: More transparent project selection criteria

Evergreen recommended that administrators should develop more transparent project selection criteria, which determine the project areas and the specific projects, and help ensure that these are in alignment with their Investment Plans. In their Joint Application, and bolstered by subsequent filings, the Joint Applicants (responding separately in the Joint Application, and jointly in subsequent filings) essentially responded that they will share project research

plans and budgets with the Commission and the public at least one month prior to their launch of such projects, and the administrators will develop a template for sharing plans and budgets. To provide transparency to project selection criteria, Joint Applicants also provided detailed descriptions of their respective project selection process and criteria in their initial applications. In particular, PG&E and SCE presented a Scoring Matrix (Appendix F) and PG&E presented a Business Plan Template for approved projects (Appendix G) for reference.

Further, the Joint Applicants responded to an ALJ Ruling question regarding the details of their stated intention to share their project research plans and budgets with the Commission and the public (and presumably each other). They provided a “Project Template” for use in describing the proposed project, its objective, its technology, and its path to commercialization, as well as its budget and key stakeholders. PG&E responded that it would use the template to share information in pre-launch workshops; SCE would post the information on its EPIC website; and, SDG&E would hold webinars and post these on its EPIC website.²⁵

This response, as supplemented by the subsequent filings, is sufficient. The Joint Applicants’ solutions should enable other administrators, the Commission, stakeholders, and the public to better understand the proposed projects, their purposes and proposed benefits, their costs, and their possible commercialization. It is expected that the information contained in the respective IOU administrators’ initial applications, Scoring Matrix, Business Plan Templates, and Project Templates will become part of a complete database for all

²⁵ August 30, 2019, Joint Applicants’ Response at 5 and Exhibit A.

EPIC projects. Further, all the information in such documents will be expected to be cross-referenceable where possible.

F. Recommendation 3d: Joint Applicants are to track matching funds for their TD&D Projects

In accordance with D.18-10-052, Joint Applicants were to address this Evergreen recommendation regarding their TD&D projects, which Evergreen had originally addressed to the CEC. In their Joint Application, and bolstered by subsequent filings, the Joint Applicants (responding separately in the Joint Application, and jointly in subsequent filings) essentially responded that they will “enhance their sourcing processes to increase matching funding” and will report on project match funding on their EPIC annual reports.²⁶ More particularly, they agreed to report cost sharing in their bid process as a criterion for contractor selection.²⁷ We find this response to be sufficient as supplemented by the additional filings.

G. Recommendation 4c: Joint Applicants are to quantify project benefits

Evergreen recommended that administrators should quantify the benefits associated with their projects, including detailing the types of data that would be necessary and how it would be collected, the reporting structure for benefit documentation, include appropriate metrics in the project scopes of work, and analyze all of this for closeout and follow-up reports. In their Joint Application, and bolstered by subsequent filings, the Joint Applicants (responding separately

²⁶ Joint Application at 22.

²⁷ While match funding is not called for as part of the proposed project scoring criteria, the issue of match funding is to be explored in greater detail in our future rulemaking, especially in order to learn more from the small business community regarding the challenges reported by Evergreen. (D.18-10-052 at 49.)

in the Joint Application, and jointly in subsequent filings) essentially responded that they agreed to do so in their project final reports and EPIC annual reports. Joint Applicant also each described their plans for identifying, collecting, quantifying and reporting benefits metrics. Moreover, the Joint Applicants will “align with the CEC on a set of nine categories to use for consistent mapping and reporting of benefits, which will support the establishment of a joint EPIC database.”²⁸ The EPIC database, once established, should provide a uniform structure for facilitating the collection and reporting of project information, including benefits, across the EPIC project universe.²⁹

We find the Joint Applicants’ response here to be technically compliant. Each utility does describe a process for better tracking of benefits. SCE’s response was most complete, stating that “the Project Manager and technical team should attempt to identify and describe the expected benefits and develop a plan for denominating and measuring the benefits during project execution,” and goes on to describe this process step by step in detail. But PG&E’s response was much more general, referring first to its existing practices (which we have already found insufficient) and then saying “in response to this Recommendation PG&E will also begin to provide forward-looking estimates of potential benefits if the technology deployed in production at scale, as well as

²⁸ Joint Application at 24.

²⁹ We note that, in accordance with D.18-10-052, a Policy + Innovation Coordination Group (PICG), is envisioned to “ensure that EPIC investments are optimally aligned with and informed by key Commission and California energy innovation needs and goals” (D.18-10-052 at 84). However, despite that the PICG recently came into existence and is organized by a contractor selected by the Commission’s Energy Division to be the PICG Project Coordinator, the PICG does not have all database responsibilities. The PICG Project Coordinator will help develop, organize, and maintain the database itself, but the EPIC administrators will continue to be responsible for accounting for project information, metrics, and benefits.

quantification of any already realized benefits in its publicly available final reports.” SDG&E’s response was similarly brief. PG&E and SDG&E noted in comments on the Proposed Decision that their October 4, 2019 comments provided additional detail and asserted that their processes align with SCE’s framework for benefits quantification.

While each Joint Applicant provides a general prospective description of what each utility may do to quantify project benefits, none provide an ideal administrative plan. We find the Joint Applicants’ response technically compliant, but, we note that the capacity to track and assess benefits is a central administrative requirement, and should be taken seriously and done rigorously.

H. Recommendation 4f: SCE should share project results widely, including at conferences and workshops

Evergreen recommended that SCE should share its project results more widely with interested stakeholders, including delivering presentations at conferences and workshops. In the Joint Application, SCE responded by essentially acknowledging shortcomings, and asserting that it is developing an EPIC communication outreach strategy. It identified conferences and workshops to present its demonstration projects. In Joint Application Appendix D at D-7, SCE provided a list of the planned communications it would undertake throughout 2019 at various national locations.

SCE has complied with this Evergreen recommendation.

I. Recommendation 5c: Identification of completed CEC R&D Projects for possible TD&D projects

Evergreen recommended that the Joint Applicants should identify and review the CEC’s completed R&D projects, to determine whether such R&D projects are appropriate for possible TD&D projects. In their Joint Application, the Joint Applicants essentially responded that they agreed, and would meet

regularly with the CEC to identify and prioritize projects that could be considered for inclusion in IOU TD&D portfolio. The proposed process is sufficient.

J. Recommendation 7b: Creation of a centralized database

Evergreen recommended that the Joint Applicants should create a single, centralized database containing all relevant information on active and completed EPIC projects, along with monitoring and quarterly reporting of key performance metrics, to support on-going program evaluation. The Commission adopted this recommendation in D.18-10-052 in different ways: 1) by directing the PICG Project Coordinator to establish a centralized database website where program information can reside; and, 2) by requiring the Joint Applicants to include in this RAP their plans to systematically quantify and report on project benefit metrics.

In their Joint Application, and bolstered by subsequent filings, the Joint Applicants essentially responded that they had worked with the CEC to establish a consensus proposal for the information to be included in such a database. The proposed database would include the following:

- Alignment with the CEC on reporting categories.
- Enhancement of the existing EPIC project comparison matrix.
- Additional data elements to improve project transparency (specifically regarding funding and benefits realized through demonstration).
- Quarterly database update.³⁰

³⁰ Joint Application at 31-32.

The Joint Applicants' response is sufficient, and we expect them to support the PICG Project Coordinator's effort to establish a central database website with such information. Specifically, the Joint Applicants should work collaboratively with the PICG Project Coordinator, CEC, and Commission staff to provide data to populate this database in a timely manner upon initial creation of the database, and to provide regular data updates after that. As the utilities note,³¹ for some of their completed EPIC I and EPIC II projects, they may not have gathered all of the information necessary to populate all fields of the forthcoming database; in this case, the Joint Applicants should make a good faith effort to provide as much data from completed projects as possible.

4.2.2. Joint Applicants' Adequate Measures to Ensure Stakeholder Inclusion

Section 3.3.2 directed the Joint Applicants to document efforts undertaken to consult with the CEC and conduct workshops with invited stakeholders including DACs and peer R&D programs. More particularly, the Joint Applicants were directed to include in their Joint Application demonstration of having undertaken the following steps to engage with stakeholders:

- The utilities shall consult with CEC as they prepare their application, especially on those elements directed in this decision to be developed jointly with the CEC's input. We also intend that the IOUs adopt the best practices already in use by the CEC, as identified in the Evaluation and appropriate for the IOUs.
- The IOUs shall jointly conduct a pre-development technical workshop for initial input and recommendations, inviting California stakeholders and representatives from peer R&D programs such as those identified in the EPIC Evaluation.

³¹ Joint Application at 32.

The purpose of this engagement is to gather other program administration insights that should inform the RAP.

- The joint RAP application shall document stakeholders consulted and their input into the application; parties representing or familiar with the interests of DACs, as directed for specific elements in the RAP, shall be consulted for their input.
- The IOUs shall share their completed draft application in a second workshop and document and respond to the feedback and input received at that workshop.³²

The Joint Application, on pages 3-8, provided demonstration of adequate compliance with the prescriptive outreach required of them in preparing the document. The Joint Applicants engaged with the CEC, with peer R&D stakeholder groups, with DAC groups, and with other interested stakeholders, over the course of 13 stakeholder engagement sessions. The Joint Applicants also assert that they incorporated feedback from these stakeholder groups, and that they all collectively agreed on a unified approach during the RAP planning period.³³

Examples of such outreach include biweekly meetings with the CEC; regular attendance at CEC workshops; conducting two RAP workshop meetings with interest stakeholders, discussing EPIC program administration modifications based upon the Evergreen recommendations; potential incorporation of improved logic models for quantifying DAC benefits; hosting a targeted pre-technical joint webinar to gather best practices from peer R&D

³² D.18-10-052 at 41.

³³ Usefully, Joint Application Appendix A provides a 51-page set of extensive and detailed “Engagement Meeting Minutes” that demonstrate reasonable efforts to engage stakeholders in exploratory and guided discussion for improvements in the Joint Applicants’ EPIC administration.

groups and incorporation of their feedback and inclusion of Technical Advisory Committees (TACs) comprised of internal and external Subject Matter Experts³⁴; and, conducting 7 outreach discussions with DAC groups to solicit feedback on the draft Joint Application.³⁵

In other regards, the Joint Applicants agreed to engage in some of their other RAP obligations -- such as seeking matching funds, create an accessible database, and work with the CEC to better align R&D results with potential demonstrations -- within the context of improved stakeholder outreach.

The Joint Application demonstrates that the Joint Applicants adequately complied with the stakeholder outreach requirements found in D.18-10-052 to ensure meaningful substantive improvements in their execution of the EPIC program. These improvements, and any subsequent changes, may be considered in R.19-10-005.

4.2.3. SCE's Proposed Replacement Projects Meet the Applicable Requirements for Inclusion

Decision 18-10-052 requires that any proposed changes to an administrator's existing EPIC investment plan project list must demonstrate that the proposed replacement projects meet the applicable requirements set forth therein, and are otherwise compliant with other application Commission decisions. SCE seeks approval to replace certain projects with certain other

³⁴ Joint Applicants "will facilitate collaboration between the TACs and the PICG to help identify and validate specific areas where immediate investment in technology demonstrations may be needed." (Joint Application at 4.)

³⁵ DAC feedback, which would doubtless benefit all communities, is for the EPIC public forums to use less technical language, provide imagery, provide document handouts, and both target and work with community-based organizations to facilitate outreach.

projects. After review of all parties' filings, it is determined that SCE may implement its proposed replacement projects.

Decision 18-10-052 states in relevant part as follows:

Utility-specific Modifications to 2018-2020 Investment Plans:

In separate sections, each utility shall identify any proposals included in its April/May application that the utility believes should be modified or withdrawn/replaced.

For modifications, the utility shall explain how the modifications were developed in a manner consistent with the intent of the Evaluation recommendations adopted in this decision.

For withdrawn proposals, the utility shall provide an explanation for that necessity.

For any replacement proposals, the utility shall explain how it developed the proposal in a manner consistent with the intent of the Evaluation recommendations adopted in this decision.³⁶

In the Joint Application, SCE essentially proposes to modify its EPIC III projects application in two ways. First, it seeks to withdraw its "Reliability Dashboard Tools" (Dashboard) project and replace it with a "Wildfire Prevention & Resiliency Technology Demonstration" (Wildfire) project. Second, it seeks to withdraw its "Beyond The Meter Phase 2" (Meter) project and replace it with a "Beyond Lithium-Ion Energy Storage Demonstration" (Storage) project.

4.2.3.1. SCE's Proposed Replacement of the Dashboard Project with the Wildfire Project

In brief, regarding replacing the Dashboard project with the Wildfire project, SCE first argues that the Dashboard project objectives could be accomplished using "commercially-available tools and technologies that have

³⁶ D.18-10-052 at 40.

been deployed since the original EPIC III investment plan application.”³⁷ SCE then argues that the Wildfire project emphasizes the importance of addressing wildfire issues and generally refers to “new pre-commercial technologies that could potentially be deployed at scale in the future.”³⁸ SCE also provides a detailed description, referring to hardware components and software elements and generally asserting that it would be in “support of climate adaptation and wildfire prevention, detection, and mitigation at all voltage levels.”³⁹

Regarding the proposed replacement of the Dashboard project with the Wildfire project, no other party asserted any concern with the replacement of the former with the latter. As SCE generally asserts that Dashboard is essentially redundant to commercial products, and that the Wildfire project is of critical importance to California, the Wildfire project is approved.

4.2.3.2. SCE’s Proposed Replacement of the Meter Project with the Storage Project

SCE’s proposed replacement of the Meter project with the Storage project requires closer review, as the proposal is met with responses from both Cal Advocates and CESA. In the Joint Application, SCE did not describe the Meter project, but simply stated that “it was determined that the project should not continue with the proposed Phase 2 scope, due to lack of sufficient learnings and business value derived from Phase 1 activities.”⁴⁰ In a later filing, SCE

³⁷ Joint Application at 32. In a later filing, SCE provides somewhat greater detail regarding the redundancy of the Dashboard project in light of the “rapid pace of technology advancement.” August 30, 2019, Joint Applicants’ Response at 12-13.

³⁸ Joint Application at 33.

³⁹ Joint Application, Exhibit E, at E-1 – E-2.

⁴⁰ Joint Application at 34.

further indicated that it was not able to arrive at this Phase 1 conclusion sooner (so as to present an appropriate EPIC III investment plan application) because the EPIC III application, which included Phase 2, was filed in May 2017, but SCE asserts it only reached its Phase 1 conclusions when its final lab testing was completed in December 2017.⁴¹

Regarding the Storage project, SCE provided the following description:

The project will demonstrate the next wave of next-generation, pre-commercial [storage]... (e.g., advanced electrochemical batteries, flow batteries, thermal storage, etc.)... this project will demonstrate a complete energy storage system, including the storage technology, power conditioning system(s), product/systems integration, and grid interconnection. The objectives of this project are to identify technologies most likely to achieve commercial viability with [sic] the next 3-5 years...

In order to achieve California's ambitious long-term energy policy goals, and SCE's own Clean Power and Electrification Pathway, the marketplace will require diversity of cost-competitive energy storage products...

Within SCE, there are no other groups working on a similar project. Present energy storage initiatives within the company are focused on lithium-ion based storage pilots and deployments. In the case of "beyond lithium-ion" storage technologies, SCE will coordinate with the CEC, PG&E, and SDG&E to ensure project duplication will not occur.⁴²

SCE asserts that it "presented the Beyond Lithium-Ion Energy Storage Demonstration to the CEC during RAP meetings, to interested stakeholders through at least two public forums ... and to targeted peers through a

⁴¹ August 30, 2019, Joint Applicants' Response at 14.

⁴² Joint Application, Appendix E, at E-3 - E-4.

webinar.”⁴³ SCE also provides the following additionally-identified prospective technologies that would be deployed in the Storage project (i.e., in addition to those identified in the Joint Application Appendix E cited above): lithium sulfur, zinc air, and sodium ion.^{44,45} SCE provided notes from its webinar stating that “CEC supports fire safety and energy storage. CEC wants to collaborate with SCE on these replacement projects.”⁴⁶

In response to SCE’s expressed desire to substitute the Meter project with the Storage project, Cal Advocates expressed opposition based upon its understanding of D.18-10-052. Cal Advocates stated that “SCE is required to affirmatively demonstrate that the energy storage technology that it proposes... is not commercially available.... SCE fails to identify the energy storage technology(s) that SCE wants to fund through EPIC.”⁴⁷ In a later filing, Cal Advocates added that “[t]here is nothing in any EPIC decision that suggests the Utility Administrators can use EPIC funds for ‘less mature technologies’ or other definitional deviations... SCE did not provide sufficient information to affirmatively show that these technologies are, in fact, at the pre-commercial stage.”⁴⁸

⁴³ June 13, 2019, Joint Reply to the Public Advocates Office’s Protest at 6.

⁴⁴ *Id.* at 8. As noted previously, SCE coordinated with other EPIC administrators to ensure the replacement projects were non-duplicative. (August 30, 2019, Joint Response at 15.)

⁴⁵ However, SCE later wrote that “to be clear, SCE has not selected specific pre-commercial, non-lithium-ion energy storage technology candidates at this time.” (October 4, 2019, Joint Reply Comments at 3.)

⁴⁶ Joint Application, Appendix A, at A-10.

⁴⁷ Protest of the Cal Advocates Office at 6.

⁴⁸ September 20, 2019, Public Advocates Office’s Opening Comments at 4-5.

CESA, taking a different approach, seemingly supported the replacement project but advocated additional measures:

Until actual commercial procurement of beyond-lithium-ion storage resources occur, and these technologies have an opportunity to scale, these technologies will stall at the pilot and demonstration stage. As a result, in conjunction with this Joint Application, the Commission should also prioritize opening a new Energy Storage Rulemaking that is focused on, among a host of other issues, developing an energy storage procurement framework to bring new, lower-cost, longer-duration energy storage technologies to market.⁴⁹

Regarding Cal Advocates' argument that EPIC decisions do not allow the use of EPIC funds for "less mature technologies" or other definitional deviations, SCE responded in part that its proposed replacement projects (including the Storage project) "meet the spirit of the RAP application by improving the transparency of SCE's administration of its EPIC Portfolio." Further, SCE went on to detail its stakeholder meetings, DAC engagements, and lack of objections to its proposed replacement projects, and that to the contrary, SCE explained that DAC parties "expressed interest in having next-generation energy storage technology located in a DAC..."⁵⁰ Lastly, SCE added that it "intends to seek proposals from the vendor community via a competitive solicitation process."⁵¹

Regarding Cal Advocates' assertion that EPIC administrators bear the burden of proving that a particular technology is pre-commercial, given that SCE did not indicate which specific non-lithium battery technology it will be funding, the discussion of where the unknown technology is on the development

⁴⁹ Response of the California Energy Storage Alliance at 5.

⁵⁰ August 30, 2019, Joint Response at 16-17.

⁵¹ October 4, 2019, Joint Reply Comments at 3.

trajectory seems premature. More to the point, SCE has showcased its proposal, and the presumed leading storage trade association apparently did not indicate that the technology was not appropriately pre-commercial: to the contrary, CESA expressly stated that it “agrees with SCE’s justification that this new initiative is a high priority that provides ratepayer benefits, as these new technologies face gaps in pilot and deployment opportunities that are necessary to commercialize new technologies.”⁵² If Cal Advocates is aware that the proposed Storage project is inappropriate for this reason, it did not proffer useful information to sustain that objection.

We find that no past EPIC decisions, neither in letter nor spirit, are violated by SCE’s Storage replacement project proposal. SCE is proposing a project concept in the application, and will only begin its project development process once its replacement proposal is approved, and will then follow the process described in the filing to engagement stakeholders (including DACs) as they develop the new project. SCE proposes to follow both established and (the Evergreen recommendation’s proposed new) approved methods ensuring stakeholder outreach, improved transparency, and improved selection process. Specific identification of replacement technologies is neither required nor beneficial to this stage of the replacement project proposal.

5. Conclusion

For reasons stated above, the Joint Applicants’ RAP application is approved, such that PG&E, SCE, and SDG&E are entitled to encumber, commit, and spend the entireties of all monies authorized to each pursuant to EPIC for

⁵² CESA Response to the Joint Application at 3.

the years 2018 through 2020. SCE is specifically authorized to replace its EPIC projects as it has proposed.

While we note that the Joint Applicants have met the requirements, we have also identified shortcomings. In some ways, we are in a similar position as in D.18-10-052 when we found the applications in that proceeding, while technically compliant with the *letter* of the rules, could better align with their spirit. We appreciate and value the improvements made. What is more, there is clear evidence that there is value in utility participation and leadership in energy R&D -- the Evergreen evaluation found as much, and we have agreed.

But the Joint Applicants' performance as administrators under the past and current EPIC program administrative rules keeps falling short. We question whether this is explained by something inherent to the utility role as administrator, their willingness to participate in this particular program, other factors, or some combination of these. Regardless, something needs to change. In R.19-10-005, we intend to consider alternative structures that may better suit utility involvement. Each of the Joint Applicants has a portfolio of approved projects under the approved funding cycle, which D.18-10-052 found likely to provide ratepayer benefits, and we expect these projects to move forward.

Unless expressly granted in this proceeding or in this decision, all heretofore unaddressed motions are denied.

6. Comments on Proposed Decision

The proposed decision of ALJ Jungreis in this matter was mailed to parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure.

On January 13, 2020, both the Joint Applicants and Cal Advocates filed comments. On January 21, 2020, both the Joint Applicants and SCE filed reply comments.

The Joint Applicants' comments sought to add information to the record (specifically, regarding their threshold for direct awards). It is noted here that the record was complete upon submission, and additional information cannot be accepted through the proposed decision comment process. The Joint Applicants also sought to renew arguments made in their filings, primarily regarding the project comparison matrix and stakeholder engagement. Further, the Joint Applicants argued that reference to alternative administrative structures for EPIC should be deferred to the EPIC renewal proceeding. Finally, the Joint Applicants sought to correct a perceived mischaracterization in Finding Of Fact No. 8 regarding their future efforts as to project selection criteria. The Commission has reviewed each of the Joint Applicants' comments, and does not find them persuasive as evidence or legal argument of a failure to have reasonably decided this proceeding on the record and in accordance with the Public Utilities Code and the Commission's Rules.

Cal Advocates' comments argued that SCE's replacement technology is inconsistent with Commission decisions and the Public Utilities Code and is not supported by the record. Cal Advocates also argued that approval of the RAP application is not supported by the proposed decision's findings and is inconsistent with the Public Utilities Code. Finally, Cal Advocates argues that the RAP application was out of compliance with Rule 2.1 and the Joint Applicants should not be relieved of their duty in that regard. The Commission has reviewed each of Cal Advocates' comments, and does not find them persuasive as evidence or legal argument of a failure to have reasonably decided

this proceeding on the record and in accordance with the Public Utilities Code and the Commission's Rules. In particular, regarding the issue of SCE's replacement technology, Cal Advocates' citations fail to stand for the propositions for which they are presented: there are no prior EPIC decisions which explicitly require identification of the specific technology to be deployed, and there are no prior EPIC decisions which explicitly define "pre-commercial technologies" to preclude the use of SCE's proposed replacement technology.

7. Assignment of Proceeding

Martha Guzman Aceves is the assigned Commissioner and Jason Jungreis is the assigned ALJ in this proceeding.

Findings of Fact

1. The Joint Application sufficiently documents efforts undertaken by the Joint Applicants to consult with the CEC and conduct workshops with invited stakeholders including disadvantaged communities and peer R&D programs.

2. The Joint Application sufficiently documents efforts undertaken by the Joint Applicants to conduct their outreach efforts and explain how they have, and will continue to, improve their administration efforts.

3. The Joint Application sufficiently documents efforts undertaken by the Joint Applicants to provide more information to justify situations in which they employ non-competitive bidding.

4. The Joint Applicants confirm that as they move forward with their EPIC reporting, they will provide such non-competitive contracting information as to enable the Commission to readily understand the percentage of EPIC funding that is being awarded through non-competitive bidding.

5. The Joint Applicants confirm that as they move forward with their EPIC reporting, they will provide more information to enable the Commission to

readily understand the technology type and/or policy area of each proposed administrator project, to ensure the projects were aligned with the Commission's policy goals.

6. The Joint Applicants have met the minimum requirements in moving forward with their EPIC administration, and must finalize the enhanced reporting matrix after soliciting the Commission's Energy Division for feedback prior to implementation.

7. The Joint Applicants confirm that as they move forward with their EPIC administration, they will engage more stakeholders earlier in the investment planning process, and provide those stakeholders with more comprehensive information regarding their proposed projects.

8. The Joint Applicants confirm that as they move forward with their EPIC administration, they will continue to share their respective project selection criteria, which determine the project areas and the specific projects, and help ensure that these are in alignment with their Investment Plans.

9. The Joint Applicants confirm that as they move forward with their EPIC administration, they will enhance their sourcing processes to increase matching funding and will report on project match funding on their EPIC annual reports, including reporting cost sharing in their bid process as a criterion for contractor selection.

10. The Joint Applicants confirm that as they move forward with their EPIC administration, they will quantify the benefits associated with their projects in their project final reports and EPIC annual reports, will align with the CEC for consistent mapping and reporting of benefits, and will support the establishment of a joint EPIC database (as developed by the Policy + Innovation Coordination Group).

11. The Policy + Innovation Coordination Group, facilitated by a contractor selected by the Commission's Energy Division to be the PICG Project Coordinator, will develop, organize, and maintain a central joint EPIC database.

12. SCE confirms that as it moves forward with its EPIC administration, it will share its project results more widely with interested stakeholders, including delivering presentations at conferences and workshops, and that it is developing an EPIC communication outreach strategy to do so.

13. The Joint Applicants confirm that as they move forward with their EPIC administration, they will identify and review the CEC's completed R&D projects to determine whether such R&D projects are appropriate for possible TD&D projects, and would meet regularly with the CEC to do so.

14. The Policy + Innovation Coordination Group will facilitate the Joint Applicants' meetings with the CEC, in which the Joint Applicants will have opportunity to review the CEC's completed R&D projects for identification of such projects as are appropriate for possible TD&D projects.

15. SCE, in seeking to modify its 2018-2020 EPIC application projects by withdrawing its Dashboard project and replacing it with a Wildfire project, and by withdrawing its Meter project and replacing it with a Storage project, has sufficiently explained the necessity and programmatic consistency for doing so.

Conclusions of Law

1. EPIC is a \$1.5+ billion energy innovation program that seeks to drive efficient, coordinated investment in new and emerging energy solutions by providing monies to the CEC, PG&E, SCE, and SDG&E as EPIC administrators.

2. EPIC has three triennial periods, which have run 2012-2014, 2015-2017, and 2018-2020: the Commission is required to conduct a public proceeding in each

triennial period to review and approve the investment plans of each EPIC administrator, and the last such review was finalized in D.18-10-052.

3. D.18-10-052 precluded the utility administrators from committing one-third of their 2018-2020 EPIC funding allocation until they are authorized to do so by a subsequent decision confirming that they have been responsive to an independent consultant's recommendations for administrative improvements.

4. The Joint Application is compliant with Rule 2.1 because it is compliant with the directive found in D.18-10-052, at Ordering Paragraph 5.

5. The Joint Application is compliant with D.18-10-052's Section 3.3.2 directives for the Joint Applicants to submit a joint RAP application detailing the immediate steps each administrator would take to implement the Evergreen EPIC Evaluation recommendations that D.18-10-052 required the RAP to address, including proposed tracking and reporting systems.

6. PG&E, SCE, and SDG&E should be entitled to encumber, commit, and spend the entireties of all monies authorized to each pursuant to the EPIC program for the years 2018 through 2020.

7. Each of the utility administrators should demonstrate to the Commission Energy Division staff's satisfaction their good faith effort to populate the central joint EPIC database with the complete set of data elements from all projects, including those projects completed in EPIC I and EPIC II as well as EPIC III, and to continue efforts to improve program transparency and stakeholder engagement.

O R D E R

IT IS ORDERED that:

1. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company shall implement improvements described in the Joint Application and consistent with the further direction in this decision in their administration of the Electric Program Investment Charge Program.

2. Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company are entitled to encumber, commit, and spend the entireties of all monies authorized to each pursuant to the Electric Program Investment Charge Program for the years 2018 through 2020.

3. Southern California Edison may modify its 2018-2020 Electric Program Investment Charge Program application plan projects by withdrawing its Reliability Dashboard Tools project and replacing it with a Wildfire Prevention & Resiliency Technology Demonstration project, and by withdrawing its Beyond The Meter Phase 2 project and replacing it with a Beyond Lithium-Ion Energy Storage Demonstration project.

4. Application 19-04-026 is closed.

This order is effective today.

Dated February 6, 2020, at Bakersfield, California.

LIANE M. RANDOLPH
CLIFFORD RECHTSCHAFFEN
GENEVIEVE SHIROMA
MARTHA GUZMAN ACEVES

Commissioners

President Marybel Batjer, being
necessarily absent, did not participate.