May 12, 2015

Advice 3595-G/4636-E
(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Request Authority to Use PG&E’s Energy Efficiency 2013-2015 Program Funds to Increase Funds Available to the San Francisco Bay Area Regional Energy Network’s Multifamily Program

Pacific Gas and Electric Company (PG&E) requests authority to use PG&E’s Energy Efficiency (EE) program funds to increase the available budget for the San Francisco Bay Area Regional Energy Network’s (BayREN) Multifamily Program to fund EE projects in 2015.

Purpose

This advice letter requests authority to use up to $3.5 million in funds from PG&E’s current Energy Efficiency (EE) programs to increase the available budget for BayREN's Multifamily Program for projects that are completed and invoiced to PG&E by BayREN under the terms agreed to with BayREN, as described below.

Background

In Decision (D.) 12-11-015, BayREN was approved to deliver a regional EE multifamily program to serve 5,000 units with a budget of $7.2 million for the 2013-2014 cycle. In June 2014, PG&E filed an advice letter requesting authority to supplement BayREN’s funding in 2014 for its multifamily program in the amount of $3.3 million from PG&E’s Residential EE program funding. The California Public Utilities Commission (Commission or CPUC) approved the advice letter in June 2014.\(^1\) According to BayREN, the increased budget allowed BayREN to provide incentives to a total of 8,384 multifamily units in 2014.

In D.14-10-046, the Commission adopted 2015 EE program funding for PG&E and BayREN, including $6.5 million for BayREN’s multifamily program based on serving 5,000 units in 2015. BayREN has requested that PG&E provide it with $3.5 million from

\(^1\) See PG&E Advice 3478-G/4435-E, filed June 4, 2014.
its current EE program funds to allow BayREN to continue to serve the backlog of demand from multifamily property owners in 2015. BayREN’s request is described more fully in Attachment 1.

**PG&E’s Request**

PG&E requests authority to transfer up to $3.5 million from PG&E’s EE program funds to BayREN to support its multifamily program in 2015. The funding will be split between incentives and implementation, with the majority of the funding directed toward incentives to ratepayers. Of the total request, $2.625 million is allocated to incentives (75% of the total request), and the remainder for implementation to support and inspect the installation of incentivized measures.

PG&E requests that this transfer not count toward its 2015 annual fund-shifting limits as it is not a shift of funds between PG&E programs. PG&E will indicate in its quarterly Fund Shifting report the source of the transferred funds by subprogram.\(^2\) BayREN’s savings will count towards PG&E’s service area energy savings goals consistent with D.12-11-015 (p.14).

PG&E's request to increase BayREN's budget in 2015 with funds from its EE program budget is based on the unique circumstances described by BayREN in Attachment 1 and should not be considered as establishing a precedent for this procedure.

The agreement between PG&E and the Association of Bay Area Governments (ABAG), on behalf of BayREN, would be revised to reflect this budget increase if the advice letter is approved.

**Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than June 1, 2015, which is 20 days after the date of this filing. 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.

\(^2\) The fund shifting rules are included in the Energy Efficiency Policy Manual Version 5 (pp.10-11 for IOUs, p.16 for RENs, and Appendix C).
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:

Meredith Allen  
Senior Director, 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 become effective on regular notice, June 11, 2015, which is 30 calendar days after the date of filing.

Notice

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

/S/  
Meredith Allen  
Senior Director, Regulatory Relations

Attachments

c: Service List R.13-11-005
<table>
<thead>
<tr>
<th>Company name/CPUC Utility No.</th>
<th>Pacific Gas and Electric Company (ID U39 M)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Utility type:</td>
<td>Contact Person: Kingsley Cheng</td>
</tr>
<tr>
<td>☑ ELC ☑ GAS</td>
<td>Phone #: (415) 973-5265</td>
</tr>
<tr>
<td>☐ PLC ☐ HEAT ☐ WATER</td>
<td>E-mail: <a href="mailto:k2c0@pge.com">k2c0@pge.com</a> and <a href="mailto:PGETariffs@pge.com">PGETariffs@pge.com</a></td>
</tr>
</tbody>
</table>

**EXPLANATION OF UTILITY TYPE**

ELC = Electric  
GAS = Gas  
PLC = Pipeline  
HEAT = Heat  
WATER = Water

Advice Letter (AL) #: **3595-G/4636-E**  
Tier: **2**

Subject of AL: **Request Authority to Use PG&E’s Energy Efficiency 2013-2015 Program Funds to Increase Funds Available to the San Francisco Bay Area Regional Energy Network’s Multifamily Program**

Keywords (choose from CPUC listing): Agreements, Energy Efficiency

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other _____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: N/A

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: **June 11, 2015**

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

Pending advice letters that revise the same tariff sheets: N/A

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

**California Public Utilities Commission**  
**Attn:** Meredith Allen  
**EDTariffUnit**  
505 Van Ness Ave., 4th Flr.  
77 Beale Street, Mail Code B10C  
P.O. Box 77000  
San Francisco, CA 94102  
San Francisco, CA 94177  
E-mail: EDTariffUnit@cpuc.ca.gov

**Pacific Gas and Electric Company**  
**Attn:** Senior Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 77000  
San Francisco, CA 94177  
E-mail: PGETariffs@pge.com
Attachment 1

Association of Bay Area Governments Letter of Support
May 8, 2015

Energy Division Tariff Unit
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94105

Subject: Request Authority to Use PG&E's Energy Efficiency 2013-2015 Program Funds to Increase Funds Available to the San Francisco Bay Area Regional Energy Network’s Multifamily Program

The Association of Bay Area Governments, on behalf of the San Francisco Bay Area Regional Energy Network (“BayREN”), submits this letter of support of PG&E’s Advice 3595-G/4636-E.

In D.12-11-015, BayREN was approved to deliver a regional multifamily program to serve 5,000 units with a budget of $7.2 million for the 2013-2014 cycle. The program was designed to address a hard-to-reach market sector by providing a “middle of the road” participation path. Projects achieve deeper and more customized savings than a direct install single-measure program, but do not carry the up-front cost of an investment grade audit associated with a whole-building performance program. Commencing in the fall of 2013, BayREN members conducted outreach to property owners in the nine Bay Area counties and within a few months of this outreach, the program was fully subscribed.

To manage the overwhelming volume of interest, (interest forms representing 35,000 units were received by the beginning of 2014) BayREN conducted rigorous pre-screening and prioritized projects based on readiness to proceed to construction. Property owners were placed on waitlists for both technical assistance and rebate reservation and BayREN discontinued all outreach activities. Recognizing the capacity constraints presented by this program, BayREN shifted $1.4 million from other programs in their portfolio. However, this increase in budget still did not allow for the interested projects to proceed through the program. In May 2014, PG&E approved supplemental funding for the multifamily program in the amount of $3.3 million.1 With the increased budget, BayREN was able to incentivize 8,384 total units in 2014. Rebates totaling over $6 million were paid to property owners across the Bay Area, with only $88,000 remaining in the incentive budget at the end of 2014.

In D.14-10-046, 2015 funding was provided to program administrators, including the BayREN, while the myriad of issues related to the Rolling Portfolio were addressed. BayREN’s request for

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1 The request was disposed of in PG&E Advice 3478-G/4435-E.
$6.5 million for the multifamily program was approved. This budget was based on serving 5,000 units in 2015.

BayREN is seeking an additional $3.5 million to continue to serve the backlog of demand from multifamily property owners. The interest (and backlog) is great, with some property owners already having been on the waitlist for technical assistance for more than a year. BayREN has not done any outreach or marketing of this program since the fall of 2013. The popularity of the program has been from word of mouth, or owners that have gone through the program and would like to retrofit other of their properties in the Bay Area. Over 16,000 units (235 projects) are in the current, pre-screened project pipeline. BayREN anticipates that it could incentivize 8,500 total units in 2015 with the additional funding. BayREN forecasts reaching 5,000 units of rebate reservations in May. With the current funding, projects after that time would need to be placed on a rebate reservation waitlist, a situation BayREN would like to avoid so as to maintain customer satisfaction with the program. The additional $3.5 million will allow for continuous service to multifamily customers through 2015.

As approved in PG&E AL 3478-G/4435-E, received $3.3 million in supplemental funding for 2014. The initial budget breakdown was $1 million for incentives (approximately 30% of the total request), and the remainder for implementation (technical assistance). Towards the end of 2014, BayREN transferred some implementation funds to incentives, resulting in 56% of the additional funding paid to property owners through incentives. The current request also is split between incentives and implementation, with the majority of the funding directed toward incentives to ratepayers. Specifically, of the total request, $2,625,000 is allocated to incentives (75% of the total request), and the remainder for implementation to support and inspect the installation of incentivized measures.

BayREN recognizes that a comprehensive evaluation of this program’s impact has not yet been conducted and acknowledges that new programs are typically evaluated before being expanded to a larger scale. This supplemental funding request is based on the unique circumstances described above and should not be considered as setting a precedent for this or other programs in the BayREN portfolio.

Respectfully Submitted,

ASSOCIATION OF BAY AREA GOVERNMENTS

_____________________
Gerald L. Lahr
Energy Programs Manager
AT&T
Albion Power Company
Alcantar & Kahl LLP
Anderson & Poole
BART
Barkovich & Yap, Inc.
Bartlet Wells Associates
Braun Blaising McLaughlin, P.C.
California Cotton Ginners & Growers Association
California Energy Commission
California Public Utilities Commission
California State Association of Counties
Calpine
Casner, Steve
Cenergy Power
Center for Biological Diversity
City of Palo Alto
City of San Jose
Clean Power
Coast Economic Consulting
Commercial Energy
Cool Earth Solar, Inc.
County of Tehama - Department of Public Works
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy
Defense Energy Support Center
Dept of General Services
Division of Ratepayer Advocates
Douglass & Liddell
Downey & Brand
Ellison Schneider & Harris LLP
G. A. Krause & Assoc.
GenOn Energy Inc.
GenOn Energy, Inc.
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
International Power Technology
Intestate Gas Services, Inc.
K&L Gates LLP
Kelly Group
Leviton Manufacturing Co., Inc.
Linde
Los Angeles County Integrated Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenna Long & Aldridge LLP
McKenzie & Associates
Modesto Irrigation District
Morgan Stanley
NLine Energy, Inc.
NRG Solar
Nexant, Inc.
Occidental Energy Marketing, Inc.
Office of Ratepayer Advocates
OnGrid Solar
Pacific Gas and Electric Company
Praxair
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
SCE
SDG&E and SoCalGas
SPURR
Seattle City Light
Sempra Energy (SoCal Gas)
Sempra Utilities
SoCalGas
Southern California Edison Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
Tiger Natural Gas, Inc.
TransCanada
Utility Cost Management
Utility Power Solutions
Utility Specialists
Verizon
Water and Energy Consulting
Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
YEP Energy