

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE



February 27, 2020

Advice Letter 4202-G/5732-E

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**SUBJECT: Statewide Marketing, Education, and Outreach (Statewide ME&O) 2020
Annual Budget Update.**

Dear Mr. Jacobson:

Advice Letter 4202-G/5732-E is effective as of December 31, 2019.

Sincerely,

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

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

December 31, 2019

Advice 4202-G/5732-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Statewide Marketing, Education, and Outreach (Statewide ME&O) 2020 Annual Budget Update

Purpose

In Decision (D.) 19-01-005, Ordering Paragraph (OP) 1, the California Public Utilities Commission (Commission or CPUC) ordered Pacific Gas and Electric Company (PG&E) to extend its contract with the implementer of the 2017-2019 Statewide Marketing, Education and Outreach (Statewide ME&O) program through December 31, 2021. The amended contract was submitted to the Commission's Energy Division via a Tier 1 Advice Letter¹ (AL) dated May 10, 2019.

This annual Tier 1 Budget Advice Letter is submitted for the twelve-month period from January 1, 2020 to December 31, 2020 in compliance with OP 6 of the above-cited Decision, which orders that "After the Tier 1 Advice Letter required by Ordering Paragraph 1 is filed, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall each file Tier 1 Advice Letters specifying the dollar amounts of their respective statewide Marketing, Education, and Outreach budgets for the period October 1, 2019 through December 31, 2019, and annually thereafter for the twelve-month periods ending December 31, 2020 and December 31, 2021."

Background

The Statewide ME&O program is to promote energy management concepts, demand-side management, energy efficiency actions, and clean energy opportunities for the State's residents and small businesses under the brand name "Energy Upgrade California". Application (A.) 12-07-008 was opened to determine 2014-2015 budget allocations for the Statewide ME&O program. The Commission opened Phase 2 to determine 2016 bridge funding and Phase 3 to determine program administration and funding post-2016. Phase 3 also adopted a Request for Proposal (RFP) process to select

¹ PG&E AL 4098-G/5544-E

a new Statewide ME&O implementer and D.16-09-020 approved the winner of said RFP. The Commission appointed PG&E to manage the RFP process in coordination with other Statewide ME&O stakeholders.

D.16-03-029, issued March 22, 2016, states that a budget of no less than \$23 million per year is to be assumed for the statewide implementer (Conclusion of Law 9, p. 71). DDB Worldwide Communications Group, Inc.'s (DDB) maximum budget for developing and funding the execution of the Statewide ME&O program, including related stakeholder meetings, research, and oversight of plan implementation, is consistent with that guideline. PG&E, acting as the fiscal agent, entered into a contract with DDB. The contract is being managed by the CPUC.

On October 17, 2016, PG&E submitted AL 3770-G/4939-E pursuant to OP 4 of D.16-09-020 and submitted the final contract and budget between PG&E and the new statewide implementer, DDB. Under this contract DDB will implement the Statewide ME&O program from October 1, 2016 through September 30, 2019.

On April 5, 2017, DDB submitted ALs DDB-1 and DDB-2 pursuant to OP 13 of D.16-09-020 and Attachment A of D.16-03-029. The ALs included a Five-year Marketing, Education, and Outreach Strategic Roadmap (Roadmap) and a 2017-2018 Joint Consumer Action Plan. Resolution E-4871 approved both the Roadmap and Joint Consumer Action Plan, effective August 10, 2017.

On September 10, 2017, DDB submitted a supplemental AL, DDB-1-A, in which Evaluation, Measurement and Verification (EM&V) expenses and Investor Owned Utilities' (IOUs') administration expenses were removed from DDB's budget allocation. The changes reduced DDB's budget from \$73,318,314 to \$68,186,032². Under the larger Statewide ME&O budget, Commission staff is authorized a 4% budget allocation to conduct statewide EM&V studies and the IOUs are authorized 3% for administrative costs related to Statewide ME&O activities.

On January 10, 2019, the CPUC issued D.19-01-005 authorizing the renewal of the contract with DDB and directing PG&E to extend the contract through the end of 2021. The Commission ordered PG&E to submit a Tier 1 AL amending the contract for 27 additional months and keeping the annual budget unchanged. In the Tier 1 AL 4098-G/5544-E filing dated May 10, 2019, and its associated supplementals, PG&E amended the contract between the IOUs and DDB for an additional 27-month extension and submitted it to the Commission's Energy Division (ED).

On August 14, 2019, PG&E submitted Advice Letter 4132-G/5617-E which provides Statewide ME&O Program Budget information for October, November and December of 2019, the first three months of the contract extension authorized by the Commission in D.19-01-005.

² AL DDB-1-A, p. 1.

This Advice Letter provides Statewide ME&O Program Budget information for year 2020. In the latter part of 2020, PG&E will submit an Advice Letter covering the budget for 2021, the final year of the Statewide ME&O Program extension.

Statewide ME&O Funding Allocations

Resolution E-4871 outlined the funding allocation for the Statewide ME&O budget as follows: PG&E 46.74%, Southern California Edison Company (SCE) 32.68%, San Diego Gas & Electric Company (SDG&E) 12.43%, and Southern California Gas Company (SoCal Gas) 8.14%. However, the original percentage allocation totaled 99.99%. To ensure that 100% of Statewide ME&O program costs are covered, each IOU adds 0.0025% to its allocated budget percentage. Table 1 below shows initial and adjusted percentages.

Table 1: Statewide ME&O IOU Percentages

IOU Percentages		
IOU	Percentage per D.16-09-020	Adjusted percentages to total 100%³
PG&E	46.74%	46.7425%
SCE	32.68%	32.6825%
SDG&E	12.43%	12.4325
SoCalGas	8.14%	8.1425%
Total	99.99%	100%

D.19-01-005 states that the budget for the implementer's contract shall remain at current annual levels and be extended for 27 months. The budget for each month of this extended contract period is to be equivalent to 1/12 of the annual budget. The Statewide ME&O program allocation percentages are to remain those adopted in D. 13-12-038: Marketing (44%), Education (17%), Outreach (21%), Research (4%), Evaluation, Measurement and Verification (4%), statewide implementer administrative expenses (7%), and investor-owned utility administrative expenses (3%). The ratepayers of PG&E, SCE, SDG&E, and SoCalGas will continue to fund the budget of the Statewide ME&O program according to the following percentage shares contributed by each utility: 46.7425% for PG&E, 32.6825% for SCE, 12.4325% for SDG&E and 8.1425% for SoCalGas.

Total Statewide ME&O Budget

The total Statewide ME&O budget for October 2019 to December 2021 is \$54,988,735 and includes allocations for DDB San Francisco, EM&V, and IOU Statewide ME&O

³ An additional 0.0025% allocation per IOU is required to ensure that 100% of the authorized statewide ME&O budget is allocated.

administrative costs. The allocation percentages directed by the Commission in OP 2 of D.19-01-005 are \$1,649,662 (3%) for IOU administrative expenses and \$2,199,549 (4%) for the EM&V evaluation budget⁴. Table 2 below shows the breakdown of the total budget for all IOUs including EM&V and IOU expenses.

Table 2: Statewide ME&O Budget According to D.19-01-005 Across All IOUs

Statewide ME&O Budget Breakdown		
Allocated to	Amount	Allocation of Budget
DDB-San Francisco	\$51,139,524	93%
ED for EM&V	\$2,199,549	4%
IOU Administrative	\$1,649,662	3%
Total	\$54,988,735	100%

Statewide ME&O Total Budget by IOU

Table 3 shows the total possible IOU expenses, including budget amounts for the DDB contract, IOU administrative allowances, and EM&V.

Table 3: Total Possible Statewide ME&O Expenses by IOU⁵

Total Statewide ME&O Budget by IOU					
Party	% Contribution	DDB Contract ⁶	IOU Admin Allowance (3%) ⁷	EM&V for Energy Division (4%) ⁸	Total SW ME&O Contribution
PG&E	46.7425%	\$23,903,892	\$771,093	\$1,028,124	\$25,703,109
SCE	32.6825%	\$16,713,675	\$539,151	\$718,868	\$17,971,694
SDG&E	12.4325%	\$6,357,921	\$205,094	\$273,459	\$6,836,474
SoCalGas	8.1425%	\$4,164,036	\$134,324	\$179,098	\$4,477,458
Total	100.00%	\$51,139,524	\$1,649,662	\$2,199,549	\$54,988,735

⁴ AL 3783-G/4963-E originally included miscalculated numbers for EM&V (\$2,727,441) and IOU Expenses (\$2,127,404) and an incorrect total budget of \$73,040,877. The calculations have been corrected and are reflected in Table 2 of this Advice Letter to correct the errors in AL 3783-G/4963-E.

⁵ AL 3783-G/4963-E included incorrectly calculated numbers for each IOU given the incorrect total budget that each IOU must collect in rates to ensure full funding of the contract to include DDB expenses, IOU expenses, and EM&V expenses. The calculations have been corrected and are reflected in Table 3 of this advice filing to correct the errors in AL 3783-G/4963-E.

⁶ PG&E is billed by DDB and then invoices SCE, SDG&E and SoCalGas. The IOUs have a co-funding agreement to share DDB's contract costs.

⁷ Each IOU will collect this amount from customers and will spend and account for up to its total allocated administrative funding amount.

⁸ Energy Division will order EM&V studies for statewide ME&O for up to the total amount authorized and bill each IOU for its respective portion.

PG&E's Specific Statewide ME&O Annual Budget

PG&E has allocated the program budget (electric and gas) across the 27 months from October 2019 through December 2021, as shown in Table 4 below. The program budget reflected below does not include the Benefit Burden or Revenue Franchise Fees & Uncollectibles (RF&U). The allocation remains at 90.0439% electric and 9.9561% gas. In particular, electric recovery includes PEERAM (50.4371%), DRAM (38.9578%), and PPPRAM (.6490%). Gas recovery includes PPP-EE (9.6071%) and PPP-LIEE (.3490%).

Cost recovery will include the program budget, Benefit Burden, and RF&U. The Benefit Burden amount for 2019 has been determined through the 2017 General Rate Case (GRC). In addition, the 2019 RF&U factor is .011349 per AL 4020-G/5389-E. The Benefit Burdens and RF&U for 2020 and 2021 will be determined through the 2020 GRC.

Table 4: PG&E's Annual Statewide ME&O Program Budget

PG&E's Program Budget Allocations by Year			
Oct. 2019 – Dec. 2019	Jan. 2020 – Dec. 2020	Jan. 2021 – Dec. 2021	Total
\$2,855,901	\$11,423,604	\$11,423,604	\$25,703,109

Protests

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than January 20, 2020, which is 20 days after the date of this submittal. 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:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-3582
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

Pursuant to OP 6 of D.19-01-005, PG&E requests that this Tier 1 advice letter become effective upon date of submittal, which is December 31, 2019.

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 A.12-08-007. 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 submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Service List A. 12-08-007



ADVICE LETTER 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 WATER
 PLC HEAT

Contact Person: Annie Ho
 Phone #: (415) 973-8794
 E-mail: PGETariffs@pge.com
 E-mail Disposition Notice to: AMHP@pge.com

EXPLANATION OF UTILITY TYPE
 ELC = Electric GAS = Gas WATER = Water
 PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4202-G/5732-E

Tier Designation: 1

Subject of AL: Statewide Marketing, Education, and Outreach (Statewide ME&O) 2020 Annual Budget Update

Keywords (choose from CPUC listing): Compliance

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.19-01-005,

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:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date: 12/31/19

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 proposed¹: N/A

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

¹Discuss in AL if more space is needed.

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

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name: Erik Jacobson, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility Name: Pacific Gas and Electric Company
Address: 77 Beale Street, Mail Code B13U
City: San Francisco, CA 94177
State: California Zip: 94177
Telephone (xxx) xxx-xxxx: (415)973-2093
Facsimile (xxx) xxx-xxxx: (415)973-3582
Email: PGETariffs@pge.com

Name:
Title:
Utility Name:
Address:
City:
State: District of Columbia Zip:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

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

AT&T	Downey & Brand	Pioneer Community Energy
Albion Power Company	East Bay Community Energy	Praxair
Alcantar & Kahl LLP	Ellison Schneider & Harris LLP	
	Energy Management Service	
Alta Power Group, LLC	Engineers and Scientists of California	Redwood Coast Energy Authority
Anderson & Poole	Evaluation + Strategy for Social Innovation	Regulatory & Cogeneration Service, Inc.
	GenOn Energy, Inc.	SCD Energy Solutions
Atlas ReFuel	Goodin, MacBride, Squeri, Schlotz & Ritchie	
BART	Green Charge Networks	SCE
	Green Power Institute	SDG&E and SoCalGas
Barkovich & Yap, Inc.	Hanna & Morton	
P.C. CalCom Solar	ICF	SPURR
California Cotton Ginners & Growers Assn	International Power Technology	San Francisco Water Power and Sewer
California Energy Commission	Intestate Gas Services, Inc.	Seattle City Light
California Public Utilities Commission	Kelly Group	Sempra Utilities
California State Association of Counties	Ken Bohn Consulting	Southern California Edison Company
Calpine	Keyes & Fox LLP	Southern California Gas Company
	Leviton Manufacturing Co., Inc. Linde	Spark Energy
Cameron-Daniel, P.C.	Los Angeles County Integrated Waste Management Task Force	Sun Light & Power
Casner, Steve	Los Angeles Dept of Water & Power	Sunshine Design
Cenergy Power	MRW & Associates	Tecogen, Inc.
Center for Biological Diversity	Manatt Phelps Phillips	TerraVerde Renewable Partners
	Marin Energy Authority	Tiger Natural Gas, Inc.
Chevron Pipeline and Power	McKenzie & Associates	
City of Palo Alto		TransCanada
	Modesto Irrigation District	Troutman Sanders LLP
City of San Jose	Morgan Stanley	Utility Cost Management
Clean Power Research	NLine Energy, Inc.	Utility Power Solutions
Coast Economic Consulting	NRG Solar	Utility Specialists
Commercial Energy		
County of Tehama - Department of Public Works	Office of Ratepayer Advocates	Verizon
Crossborder Energy	OnGrid Solar	Water and Energy Consulting Wellhead Electric Company
Crown Road Energy, LLC	Pacific Gas and Electric Company	Western Manufactured Housing Communities Association (WMA)
Davis Wright Tremaine LLP	Peninsula Clean Energy	Yep Energy
Day Carter Murphy		
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		