

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Pacific Gas & Electric Company
ELC (Corp ID 39)
Status of Advice Letter 4248G/5822E
As of August 27, 2020

Subject: Pacific Gas and Electric Company's Request to Shift Funds in the Energy Saving Assistance Program

Division Assigned: Energy

Date Filed: 05-08-2020

Date to Calendar: 05-13-2020

Authorizing Documents: D0811031

Authorizing Documents: D1010008

Authorizing Documents: D1611022

Authorizing Documents: D1712009

Disposition:

Accepted

Effective Date:

06-07-2020

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

edtariffunit@cpuc.ca.gov

AL Certificate Contact Information:

Kimberly Loo

415-973-4587

PGETariffs@pge.com

PUBLIC UTILITIES COMMISSION
505 Van Ness Avenue
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to
edtariffunit@cpuc.ca.gov

May 8, 2020

Advice 4248-G/5822-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Pacific Gas and Electric Company's Request to Shift Funds in the Energy Saving Assistance Program

Purpose

Pursuant to California Public Utilities Commission (Commission or CPUC) Decision (D.) 08-11-031, as modified by D.10-10-008, D.16-11-022, and D.17-12-009. Pacific Gas and Electric Company (PG&E) hereby requests approval of this Tier 2 Advice Letter¹ to shift Energy Savings Assistance (ESA) Program funds. PG&E requests permission to shift funds between gas and electric programs, and into the In-Home Education budget category.

Background

The Commission adopted fund shifting provisions for the ESA and California Alternate Rates for Energy (CARE) Programs in D.08-11-031, as modified by D.10-10-008. The fund shifting provisions were extended in D.12-08-044,² D.14-08-030,³ and D.15-12-024,⁴ whereby the Commission extended the fund shifting provisions to the ESA Program cycle 2012 through 2014 and to program years 2015 and 2016. Ordering Paragraph (OP) 85 of D.10-10-008 sets forth the fund shifting provisions applicable to the ESA and CARE Programs. Section b.(3) and (4) of OP 85 states:

(3) Administrative Law Judge's Prior Approval: For any shifting of funds, within or out of cycle, except for "carry forward" funding considered by the Commission through budget applications, the Administrative Law Judge's prior written approval is required if any of the following applies:

- i. Shifting of funds into or out of different program categories including, but not limited to: (a) administrative overhead costs, (b)

¹ D.17-12-009, p.363 (redline version), directs a Tier 2 Advice Letter to request fund shifting for the ESA Program.

² The Commission extended the fund shifting rules for program cycle 2012-2014.

³ The Commission extended the fund shifting rules for program cycle 2015 bridge program year.

⁴ The Commission extended the fund shifting rules for program cycle 2016 bridge program year.

- regulatory compliance costs, (c) measurement and evaluation, and (d) the costs of pilots and studies;
- ii. Shifting of funds into or out of Education subcategory;
- iii. Shifting of funds between gas/electric programs; and/or
- iv. Shifting of funds totaling 15% or more of the total current annual LIEE program budget.

(4) The IOUs shall secure prior written approval of the fund shift from the Administrative Law Judge when required by subsection b.(3) above, of this ordering paragraph, by filing a motion pursuant to Article 11 of the Commission's Rules of Practice and Procedure. Upon showing of good cause, the Administrative Law Judge may issue a ruling approving the requested fund shift. IOUs, in the motion, must show good cause by setting forth the following:

- i. The reason(s) why such fund shifting is necessary;
- ii. The reason(s) why such motion could not have been brought sooner; and
- iii. Justification supporting why the proposed shifting of funds would promote efficient, cost effective and effective implementation of the LIEE⁵ program.⁶

Section 5.1.3. of D.17-12-009 directs the IOUs to file an Advice Letter to shift funds in lieu of filing a motion as previously directed by Ordering Paragraph 85, Section b.(4) of D.10-10-008.⁷ In addition to granting Energy Division the authority to approve shifting of up to 25% of underspent funds, D.17-12-009 specifies that funds may not be carried over to different budget line items, or between gas and electric programs unless requested and approved by the Advice Letter process.⁸ PG&E requests to shift funds within its 2020 budget 1) between its gas and electric programs, and 2) into the In-Home Education category. PG&E's requested fund shifts amount to less than 9% of the ESA budget, and do not increase the amount authorized in D.16-11-022, Resolution G-3531, and Energy Division's Non-Standard Disposition Letter of PGE AL 3990-G/5329-E_3990-G-A/5329-E-A_3990-G-B/5329-E-B.

⁵ ESA was formerly known as the Low Income Energy Efficiency (LIEE) Program.

⁶ D.10-10-008 OP 85

⁷ D.17-12-009 at p.366 (redline version) states "The IOUs may request to Energy Division through the fund shifting Advice Letter to use underspent funds to augment subsequent program year budgets upon a showing that such shifting is necessary to overcome barriers that reasonably led to the underspending. Energy Division may approve such shifting of up to 25% of underspent funds, and the rest will be applied to offset future collections."

⁸ D.17-12-009, Attachment 1 (Modified D16-11-022), p.368 (redline): "Carry-over funds must follow the revised fund-shifting rules. For example, funds may not be carried over to a different budget line item or be transferred between electric and gas measures unless requested and approved by the fund shifting Advice Letter process."

Considering the foregoing, PG&E requests Commission approval to:

1. Shift \$16,175,000 from Electric to Gas: from the 2020 ESA Electric HVAC budget category to the 2020 ESA Gas HVAC budget category;
2. Shift \$1,586,130 from Electric to Gas and into In-Home Education: from the 2020 ESA Electric HVAC budget category to the 2020 ESA Gas In-Home Education budget category; and
3. Shift \$3,413,870 into In-Home Education: from the 2020 ESA Electric HVAC budget category to the 2020 ESA Electric In-Home Education budget category.

Table 1: ESA Budget Fund Shift Detail

ESA Program: Budget Category	Shift From		Shift To	
	Electric	Gas	Electric	Gas
HVAC	\$21,175,000			\$16,175,000
In Home Education			\$3,413,870	\$1,586,130
Total	\$21,175,000	\$0	\$3,413,870	\$17,761,130

Table 2: ESA Budget Fund Shift Request⁹

ESA Program:	2020 Authorized Budget			2020 Revised Budget		
	Electric	Gas	Total	Electric	Gas	Total
HVAC	\$78,050,335	\$0	\$78,050,335	\$56,875,335	\$16,175,000	\$73,050,335
In Home Education	\$2,120,650	\$930,645	\$3,051,295	\$5,534,520	\$2,516,775	\$8,051,295
Total	\$80,170,985	\$930,645	\$81,101,630	\$62,409,855	\$18,691,775	\$81,101,630

All proposed fund shifts and budget estimates considered in this request take into account the ESA program suspension due to COVID 19-related shelter-in-place orders. PG&E anticipates requiring the requested fund shifts to maintain program continuity once the ESA program recommences full implementation following the lift of local, state, and/or federal shelter-in-place orders. PG&E also plans to submit comments to Draft Resolution E-5074 relating to the investor-owned utilities (IOUs) offer of 60-day advance payments to ESA contractors, and a Tier 2 advice letter per OP 2 of Draft Resolution M-4842 to describe its implementation of the emergency customer protections adopted in D. 19-07-015 to support customers impacted by the COVID-19 pandemic, which includes a description of how the ESA program can be deployed to assist customers.

The justification for each request is explained in separate sections below.

⁹ PG&E anticipates no change to the ESA program electric and gas split (69.5% electric and 30.5% gas) as a result of this fund shift request

Discussion

A. PG&E requests authority to shift funds between ESA electric and gas within 2017-2020 ESA program cycle “above the line” energy efficiency ESA categories

1. Shift \$16,175,000 from Electric to Gas: from the 2020 ESA Electric HVAC budget category to the 2020 ESA Gas HVAC budget category

PG&E requests to shift funds from electric to gas within the 2020 ESA electric HVAC budget category to ensure sufficient gas HVAC funds are available for the remainder of 2020. This fund shift request is based on 1) a rise in duct, test and seal (DTS) installations; and 2) an increase in gas savings-related smart thermostat installations.

Duct Test and Seal (DTS) Installations

In 2019, the ESA program experienced a rise in DTS measure installations that were not accounted for in PG&E’s 2019 ESA program forecast as presented in its Mid-Cycle Advice Letter Filing.¹⁰ The DTS measure is considered a gas HVAC measure, and thus draws solely from that budget category. The 2019 increase in DTS installations caused PG&E to carry back \$2.1 million of its 2020 gas HVAC budget in 2019 to cover the increase in gas HVAC expenditures. Therefore, PG&E requires this shift of funds to continue to offer the DTS measure, and other gas HVAC-related measures, throughout 2020.

Table 3: 2018 – 2019 Duct Test and Seal (DTS) Expenses and Trending

HVAC	2018 Expenses	2019 Expenses	Increase (\$)	Increase (%)
DTS - Electric	\$23,081	\$222,411	\$199,330	864%
DTS - Gas	\$1,800,121	\$12,749,341	\$10,949,221	608%
Total	\$1,823,202	\$12,971,753	\$11,148,551	611%

The rise in 2019 DTS installations was due to a change PG&E made to duct sealing installation requirements at the start of program year (PY) 2019. Specifically, PG&E required that a duct sealing installation be performed when any amount of leakage was detected via testing of the duct system. PG&E instituted this change in duct sealing protocol based on the assumption that it could accrue more energy savings per home treated. However, in practice 2019 savings values were lower than 2018 due to the final values provided in the 2015-2017 Phase 2 DNV GL Impact Evaluation. In fact, gas HVAC expenditures increased 608% over 2018 gas HVAC expenditures

¹⁰ PG&E Advice Letter 3990-G-A/5329-E-A (September 14, 2018), replacing PG&E Advice 3990-G/5329-E (July 16, 2018) in its entirety. Authorized in CPUC Energy Division Non Standard Disposition Letter AL3990-G/5329-E-A, 3990-G/5329-E-B, (January 4, 2019).

while therms savings decreased by 47% from 2018 accomplishments. Further, PG&E estimates that the mandatory DTS installation added an extra six hours to a home treatment. The added time limited contractors' ability to treat multiple homes per day, thus putting at risk PG&E's ability to meet the homes treated targets.

Table 4: 2018 – 2019 Duct Test and Seal (DTS) Savings Accomplishments¹¹

Duct Testing and Sealing		
	2018 ¹²	2019 ¹³
Quantity Installed	6,703	18,111
kWh (Annual)	18,135	(36,352)
kW (Annual)	3	(5)
Therms (Annual)	216,980	114,911

For PY 2020, PG&E has reverted to its 2017-2018 DTS installation protocol, whereby a mandatory duct seal is required only when the duct test indicates a leakage greater than or equal to 28%. A contractor has discretion to seal a duct leak detected between 15-27%. A leak under 15% would not require a duct seal.

With this change in protocol, PG&E estimates lower 2020 DTS installations.¹⁴ In fact, from December 2019 to January 2020, PG&E saw an approximate 60% reduction in DTS costs. However, as a result of drawing on its 2020 gas HVAC budget in 2019, PG&E seeks to repurpose uncommitted and unencumbered 2020 electric HVAC funds to fully cover all anticipated 2020 gas HVAC-related installations, including DTS and other gas HVAC-related measures such as furnaces and smart thermostats.

Smart Thermostat Installations

Throughout 2019 and into 2020, PG&E witnessed an increase in gas related smart thermostat installations than was originally estimated in its budget forecast presented in the Mid-Cycle Advice Letter, filed in September 2018. PG&E based its original smart thermostat forecast using the overall 2018 ESA program electric/gas split.¹⁵ Once installations commenced, PG&E realized more gas and/or dual fuel-related installations than electric-only installations.¹⁶ PG&E requires the shift of HVAC electric

¹¹ DTS 2018 and 2019 savings accomplishments were reported in PG&E's 2018 and 2019 ESA Annual Reports, respectively

¹² 2018 savings based on Evergreen Economics "Impact Evaluation of the 2011 CA Low Income Energy Efficiency Program, Final Report." August 30, 2013

¹³ 2018 savings based on 2015-17 DNV GL Phase 2 Impact Evaluation

¹⁴ PG&E also anticipates lower 2020 DTS installations due to the ESA program suspension in light of COVID-19 shelter-in-place orders.

¹⁵ 58% electric and 42% gas. PG&E use the customer's heating source as basis for funding source of smart thermostat installations.

¹⁶ 2019 smart thermostat actual electric/gas split was 5% electric and 95% gas. As of March 2020, smart thermostat electric/gas split is 3% electric and 97% gas.

funds to its HVAC gas budget category to continue to install smart thermostats for all willing and eligible customers.

PG&E anticipates no disruption to electric HVAC-related DTS and smart thermostat installations beyond those associated with the ESA program suspension in light of COVID-19 shelter-in-place orders, or electric HVAC budget constraints should the Commission approve this fund shift request.

B. PG&E requests authority to shift funds between ESA electric and gas within 2017-2020, and between electric measure categories within 2017-2020

- 1. Shift \$1,586,130 from the 2020 ESA Electric HVAC budget category into the 2020 ESA Gas In-Home Education budget category; and***
- 2. Shift \$3,413,870 from the 2020 ESA Electric HVAC budget category into the 2020 ESA Electric In-Home Education budget category.***

PG&E requests to shift funds into both the Electric and Gas In-Home Education budget categories to meet its 2020 homes treated targets. For the 2017-2020 program cycle, PG&E under-forecasted its in-home education costs in both the gas and electric budget categories. This under-forecast was primarily due to the unanticipated increase in the number of education-only homes served in 2019, and the increase in the total number of homes treated in 2019.¹⁷ Without reallocation of these funds, PG&E will be unable to provide in-home energy education to ESA customers for the full 2020 program year. In-home education is an important component of the ESA program as it provides customers with simple energy efficiency tips; information on how to use their new measures to help them save energy and lower costs; and a review of their energy bills, PG&E rate plans, and other programs that may be available to them.

PG&E anticipates no disruption to electric HVAC-related installations, beyond those associated with the ESA program suspension due to COVID-19 shelter-in-place orders, or electric HVAC budget constraints due to this fund shift.

C. Timeliness of PG&E's fund shift request.

PG&E has completed the full accounting of its 2019 year-end activities by closing out the program year and allowing all participating program contractors until the end of January 2020 to provide final invoices for work conducted in 2019. This reconciliation is the standard process followed every year for the ESA program to close our year-end activity and this Advice Letter is filed as timely as possible, following the annual ESA close out.

¹⁷ PG&E treated 106,673 homes in 2019.

This fund shift request is timely to ensure that PG&E can receive a ruling prior to the last quarter in the program year when PG&E anticipates requiring these funds to be available. PG&E files this request under the presumption that the ESA program will resume following the program's suspension due to the COVID-19 emergency.

Protests

*****Due to the COVID-19 pandemic and the shelter at home orders, PG&E is currently unable to receive protests or comments to this advice letter via U.S. mail or fax. Please submit protests or comments to this advice letter to EDTariffUnit@cpuc.ca.gov and PGETariffs@pge.com*****

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than May 28, 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 General Order (GO) 96-B, Rule 5.2, and D.08-11-031, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, June 7, 2020 which is 30 calendar days after the date of submittal.

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.19-11-003 et al. 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

cc: Service List A.19-11-003 et al.



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 U39E)

Utility type:

☒ ELC ☒ GAS ☐ WATER
☐ PLC ☐ HEAT

Contact Person: Kimberly Loo

Phone #: (415)973-4587

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: KELM@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) #: 4248-G/5822-E

Tier Designation: 2

Subject of AL: Pacific Gas and Electric Company's Request to Shift Funds in the Energy Saving Assistance Program

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

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☒ One-Time ☐ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.08-11-031, D.10-10-008, D.16-11-022, and D.17-12-009

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: 6/7/20

No. of tariff sheets: 0

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:

Clear Form

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