



Erik Jacobson
Director
Regulatory Relations

Pacific Gas and Electric Company
77 Beale St., Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

Fax: 415-973-1448

February 8, 2017

Advice 3808-G/5016-E
(Pacific Gas and Electric Company ID U 36 M)

Public Utilities Commission of the State of California

Subject: Request For Authority to Shift Energy Efficiency Funds into the 2016 Statewide Residential Energy Efficiency Program

Pacific Gas and Electric Company (PG&E) requests authorization to shift funds between program categories within PG&E's approved 2016 Energy Efficiency (EE) portfolio budget.

I. Purpose

This advice letter requests authorization to shift amounts in excess of 15 percent of the program budget for the 2016 statewide residential energy efficiency program. PG&E requests to shift up to \$2.9 million from 2016 government partnership programs to the statewide residential energy efficiency program due to higher than anticipated program uptake. This fund shift will not impact rates, EE goal achievement, or reduce customer participation in PG&E's EE programs. If approved, this fund shift will be reflected in PG&E's quarterly fund shift reports.

II. Background

Fund shifting rules were adopted in CPUC Decision (D.) 09-09-047 and subsequently modified in the *Assigned Commissioner Ruling Clarifying Fund Shifting Rules and Reporting Requirements*, Rulemaking (R.) 09-11-014, dated December 22, 2011 (ACR). The fund shifting categories were further revised in D.12-11-015.

These rules provide that a Program Administrator (PA) may move up to 15 percent of its authorized budget for each EE category, without further authorization, between EE Programs to respond to market conditions and customer needs. PAs were initially required to obtain authorization to shift funds in excess of 15 percent through an advice

letter request.¹ This requirement was eliminated by D.15-10-028, in which the Commission stated,

*We adopt the Commission Staff recommendation that we eliminate advice letter requirements for authorization for fund-shifting...Consequently, fund shifting alone will no longer trigger an advice letter filing. Instead, we will require PAs to track fund shifting on the online tool and report updated budgets in their annual budget filings,....*²

However, on June 21, 2016 the assigned administrative law judge (ALJ) clarified, "(T)he D.15-10-028 elimination of fund shifting advice letter requirements depends on certain activities coming to pass, including the online budget tool becoming operational, which hasn't yet happened."³ Therefore, PG&E submits this advice letter to notify the Commission of fund shifting based on the June 21, 2016 guidance of the ALJ.

III. PG&E's Request

On November 2, 2016, the Commission approved AL 3752-G-B/4905-E-B and thereby authorized PG&E to shift \$3.6 million beyond the 15 percent discretionary fund shifting limit of \$9.3 million into the 2016 residential energy efficiency program. PG&E now seeks authorization to shift an additional \$2.9 million into the 2016 statewide residential energy efficiency program.

The requested fund shift is due to higher than anticipated uptake in the Energy Upgrade California (EUC) program. PG&E completed 5,600 Home Upgrade and Advanced Home Upgrade projects in 2016, representing more than a 50% increase from the previous year. In light of this uptake, PG&E optimized the program by removing base measure kickers in Home Upgrade and increasing the point minimum from 100 to 200, as well as reducing site incentives in Advanced Home Upgrade by 49%. PG&E will continue to monitor EUC to meet the needs of its customers, support its robust contractor network, and maintain momentum towards transformation of the whole house retrofit market.

Table 1, "**Requested Fund Shifts into the Statewide Residential EE Program Beyond 15% Threshold,**" summarizes the approved and requested fund shifts into the

¹ D.09-09-0947, OP 43 states, "Pacific Gas and Electric Company...shall file an Advice Letter for shifts of funds of more than 15% per annum within and between any of the twelve statewide energy efficiency programs, third-party programs, or governmental programs for the entire portfolio cycle."

² D.15-10-028, p.91. See also OP 18, which states, "We eliminate requirements that energy efficiency program administrators (PAs) file advice letters for authorization to shift funds among authorized programs."

³ E-mail communication between SDG&E legal counsel Steve Patrick and ALJ Julie A. Fitch dated June 21, 2016.

statewide residential energy efficiency program in 2016 that exceed the 15% discretionary fund shifting threshold.

Table 1: Requested Fund Shifts into the Statewide Residential EE Program Beyond 15% Threshold

Destination Program Name	Requested 2016 Shift	Source of Funds
Statewide Residential EE Program as Approved by AL 3752-G-B/4905-E-B	\$12,875,456	2009 and 2010-2012 unspent funds, 2016 Statewide Agricultural, Lighting, WE&T, Financing, Government Partnerships, and Third Party Programs
Energy Upgrade California (PGE21004)	\$2,936,407	Government Partnerships
Total 2016 Shifts	\$15,811,953	
15% Threshold	\$9,269,157	
Shifts Beyond Limits	\$6,542,796	

In addition, Table 2, “**2016 Statewide Residential Energy Efficiency Program Budget after Requested 2016 Fund Shift,**” identifies the cumulative impact of the requested fund shifts on the 2016 EUC subprogram and statewide residential energy efficiency program budgets.

Table 2: 2016 Statewide Residential Energy Efficiency Program Budget after Requested 2016 Fund Shift

Program Name	2016 Authorized Budget	Carry Over of Pre-2013 Unspent Funds to 2016 as Approved by AL 3752-G-B/4905-E-B	2016 Funds Shifted as Approved by AL 3752-G-B/4905-E-B	Additional 2016 Fund Shift Request	2016 Budget after Fund Shifts
Residential Energy Advisor (PGE 21001)	\$13,531,293	-	\$2,500,000	-	\$16,031,293
Plug Load and Appliances (PGE21002)	\$18,990,738	-	-	-	\$18,990,738
Multifamily Energy Efficiency Rebates (PGE 21003)	\$1,839,507	-	-	-	\$1,839,507
Energy Upgrade California (PGE21004)	\$13,998,809	\$322,330	\$5,000,000	\$2,936,407	\$22,257,546
Residential New Construction (PGE21005)	\$3,958,299	\$4,000,000	\$500,000	-	\$8,458,299
Residential HVAC (PGE21006)	\$9,475,734	\$153,126	\$400,000	-	\$10,028,860
Total Residential Program	\$61,794,380	\$4,475,456	\$8,400,000	\$2,936,407	\$77,606,243

The program from which the shifted funds originate is identified below in Table 3, “**2016 Fund Shift out of Government Partnership Programs.**” These funds are available to shift due to changes in project implementation schedules that resulted in projects being moved to 2017.

Table 3: 2016 Fund Shift out of Government Partnership Programs

Program Name	2016 Authorized Budget	Funds Shifted in 2016	Additional 2016 Fund Shift	Total 2016 Fund Shifts	2016 Budget after Fund Shifts
University of California/California State University (PGE 210012)	\$11,801,373	(\$360,546)	(\$2,936,407)	(\$3,296,953)	\$8,504,420
Total Government Partnership Programs	\$72,321,914	(\$360,546)	(\$2,936,407)	(\$3,296,953)	\$69,024,961
15% Threshold				\$10,848,287	

Table 3 indicates that total authorized and requested shifts from the government partnership programs in 2016 do not exceed 15 percent of the government partnership programs' 2016 authorized budget.⁴

Protests

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than February 28, 2017, which is 20 days from the date of this filing. Protests should be mailed 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 (or by facsimile, if possible) at the address shown below on the same date it is mailed or delivered to the Commission:

⁴ 2016 shifts out of Government Partnership Programs are equal to 5% of the program's 2016 authorized budget.

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177

Facsimile: (415) 973-1448
E-mail: PGETariffs@pge.com

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Rule 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, Rule 3.11).

Effective Date

PG&E requests that this Tier 2 advice filing become effective on regular notice, no later than March 10, 2017, which is 30 calendar days from the date of this 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/

Erik Jacobson
Director - Regulatory Relations

Attachments:

cc: Service List R.13-11-005

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Annie Ho

Phone #: (415) 973-8794

E-mail: AMHP@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

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

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: **3808-G/5016-E**

Tier: **2**

Subject of AL: **Request For Authority to Shift Energy Efficiency Funds into the 2016 Statewide Residential Energy Efficiency Program**

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

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

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: D.15-10-028

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: **March 10, 2017**

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
Energy Division
EDTariffUnit
505 Van Ness Ave., 4th Flr.
San Francisco, CA 94102
E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company
Attn: Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177
E-mail: PGETariffs@pge.com

Program Name	2016 Authorized Budget	Carry Over	2016 Approved Fund Shifts	Additional 2016 Fund Shift Request	2016 Budget After Fund Shift
Residential Energy Advisor	\$ 13,531,293	\$ -	\$ 2,500,000	\$ -	\$ 16,031,293
Plug Load and Appliances	\$ 18,990,738	\$ -	\$ -	\$ -	\$ 18,990,738
Multifamily Energy Efficiency Rebates	\$ 1,839,507	\$ -	\$ -	\$ -	\$ 1,839,507
Energy Upgrade California	\$ 13,998,809	\$ 322,330	\$ 5,000,000	\$ 2,936,407	\$ 22,257,546
Residential New Construction	\$ 3,958,299	\$ 4,000,000	\$ 500,000	\$ -	\$ 8,458,299
Residential HVAC	\$ 9,475,734	\$ 153,126	\$ 400,000	\$ -	\$ 10,028,860
Total Residential Program	\$ 61,794,380	\$ 4,475,456	\$ 8,400,000	\$ 2,936,407	\$ 77,606,243

Program Name	2016 Authorized Budget	Funds Shifted in 2016	Additional 2016 Fund Shift	2016 Budget after Fund Shift
University of California/California State University	\$ 11,801,373	\$ (360,546)	\$ (2,936,407)	\$ 8,504,420

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

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