

---

**PUBLIC UTILITIES COMMISSION**

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



January 18, 2018

**Advice Letter 3904-G/5175-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: Advice Filing Pursuant to D.17-03-026 Regarding PG&E's 2017 through 2020 Financing Pilots Budget**

Dear Mr. Jacobson:

Advice Letter 3904-G/5175-E is effective as of December 3, 2017.

Sincerely,

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

Edward Randolph  
Director, Energy Division

November 3, 2017

**Advice 3904-G/5175-E**

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Advice Filing Pursuant to Decision 17-03-026 Regarding Pacific Gas and Electric Company's 2017 through 2020 Financing Pilots Budget**

**Purpose**

In compliance with California Public Utilities Commission (Commission or CPUC) Decision (D.) 17-03-026 *Decision Addressing Energy Efficiency Financing Pilot Programs Originally Ordered in Decision 13-09-044* (Decision), Pacific Gas and Electric Company (PG&E) submits for approval its 2017 through 2020 Financing Pilots Budget as shown in the table 1 below. The advice filing will not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

Ordering Paragraph (OP) 7 of the Decision requires PG&E to file this advice letter to provide budget details and the proposed shift of funds from the non-loan pool budget of On-Bill Financing (PGE21091), as necessary and available, for expenses to administer the program, including the costs associated with billing changes required to facilitate the financing pilot programs.

The Commission issued D.17-03-026, which included authorizing "incremental administrative, marketing, and information technology budgets, up to \$500,000 per year through the end of 2020, for each utility, except for SoCalGas, whose lead utility budget should be capped at \$800,000 per year, in order to continue to facilitate successful interfacing between the financing pilot programs and the utility billing and other systems necessary for on-bill repayment and any other features of the pilots."<sup>1</sup>

As such, this advice letter requests approval to spend \$2,000,000 for Pilot-related operating costs for program years 2017-2020, in compliance with D.17-03-026 from approved funds..<sup>2</sup>

---

<sup>1</sup> D.17-03-026, p. 3.

<sup>2</sup> D.17-03-026, OP 7, pp. 44-45.

## **Background**

In D.12-11-015, the Commission authorized \$75.2 million for new EE Pilot programs to be implemented in 2013-2014 (pilot period).<sup>3</sup> However, due to the complexity of the process to design and implement these innovative new Pilots, the pilot period was extended beyond 2014. In D.13-09-044, the Commission approved seven Financing Program Pilots covering both residential and non-residential markets, further extending the pilot period to 2015.<sup>4</sup> D.15-06-008 further extended the Pilots' terms beyond 2015 so that each pilot is funded for a full 24 months of operation.<sup>5</sup>

In D.13-09-044, the Commission allocated \$65.9 million to launch the Pilots and reserved allocation of the remaining \$9.3 million. Recognizing that many variables may affect the development and implementation of the Pilots and that the Pilot budgets may need to be adjusted, the decision directed Commission Staff to hold a mid-point public workshop to review pilot performance and, in conjunction with the California Alternative Energy and Advanced Transportation Financing Authority (CAEATFA) and the Investor Owned Utilities (IOUs), to discuss allocation of the \$9.3 million reserve remaining from the original \$75.2 million.

As part of the implementation of the Pilots, D.13-09-044 established the California Hub for Energy Efficiency Financing (CHEEF). The CHEEF's role includes coordinating among various market participants and managing funds and data. In July 2014, CAEATFA received legislative authority to administer the Pilots as the CHEEF. To assist with program administration, CAEATFA awarded the Master Servicer (MS) contract to Concord Servicing on April 23, 2015.

In D.15-10-028, the CPUC eliminated the requirement that energy efficiency program administrators file advice letters for authorization to shift funds among authorized programs.<sup>6</sup> However, given that the Pilots were authorized outside of the energy efficiency portfolio proceeding, SoCalGas requested CPUC clarification on requirements to file a fund shift advice letter for the On-Bill Repayment (OBR) information technology (IT) pilot fund shifts. On June 21, 2016, SoCalGas received clarification from the Administrative Law Judge (ALJ) assigned to the proceeding stating, "[O]ur conclusion is that an advice letter filing on OBR funds is still required. The language in D.15-06-008 is still operative."<sup>7</sup>

On November 22, 2016, the CPUC issued a ruling on R.13-11-05 approving CAEATFA's requests for additional funding to ensure continued design and

---

<sup>3</sup> D.12-11-015, p. 67.

<sup>4</sup> D.13-09-044, OP 1 and OP 20, pp. 113 and 122.

<sup>5</sup> D.15-06-008, OP 2, p. 28.

<sup>6</sup> See D.15-10-028, OP 18.

<sup>7</sup> Email communication between SoCalGas legal counsel Steve Patrick and ALJ Julie A. Fitch dated June 21, 2016.

implementation of the Pilots. This additional funding was needed, in part, due to the complexity of developing and launching the Pilots.

In D.17-03-026, the CPUC authorized the IOUs to seek additional funding for the implementation of the Pilots. PG&E specifically may spend up to \$500,000 annually on IT, marketing, and administrative costs necessary to support the pilots through 2020. Each utility must file a Tier 2 advice letter detailing the cost to be covered and the funding source for the funds requested.<sup>8</sup>

### **Budget Request**

PG&E requests budget approval in the amount of \$2,000,000 within its EE Finance Programs to support the Pilots through 2020. Funds will be shifted from the current non-loan pool budget approved for On-Bill Financing (PGE21091). A summary of the total PG&E operational budget and expenditures activity from program inception to August 1, 2017 is outlined in Table 1. If approved, all unspent funds will carry over to each subsequent year. This amount includes 2013-2015 unspent funds.

**Table 1:** Budget and Expenditures by Year

Total Administration Budget 2013-2015 funding cycle (Approved)	\$3,711,897
<i>Total 2017-2020 Budget (Requested)</i>	<i>\$2,000,000</i>
Total Expenditures 2013 - 2016	-\$3,154,890
Total Expenditures 2017	-\$215,992
<b>Total Available Funds Following Approval</b>	<b>\$2,341,015</b>

PG&E requests budget approval of \$2,000,000 within its EE Finance Programs to cover operational costs for pilot-related work in 2017-2020. This budget request is necessary to support the continued administration and implementation of the Pilots through 2020, including:

- Coordination with CAEATFA to implement the CHEEF infrastructure, such as support program regulation development, assist with integrated IT system design, and establishment of new business processes/forms;
- Supporting statewide contract administration via co-funding agreements working with the current IOU statewide program administrator lead, including the CAEATFA and financing marketing, education, and outreach (ME&O) vendor contracts;
- Supporting the finance ME&O solicitation and contract development;
- Supporting on-going Billing and IT operations and maintenance, including various necessary manual support of the OBR system (e.g., uploading project

<sup>8</sup> D.17-03-026, OP7.

data from CAEATFA to internal EE database; billing corrections as requested by CAEATFA; and updating/uploading eligible energy efficiency measure data);

- Coordination with Statewide marketing, the statewide finance ME&O campaign, and other CAEATFA marketing requests;
- Implementation of local marketing strategies;
- Supporting on-going customer-facing activities including Call Center operations, and on-line customer accounts; and
- Continuing to support pilot evaluation, measurement and verification (EM&V) activities.

PG&E requests that the Commission approve this budget request for continued development and implementation of the Pilots through 2020.

### **Protests**

Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than November 27, 2017, which is 24 days<sup>9</sup> after the date of this filing. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
505 Van Ness Avenue, 4<sup>th</sup> 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

---

<sup>9</sup> The 20-day protest period concludes on a holiday. PG&E is hereby moving this date to the following business day.

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, 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, no later than December 3, 2017, 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 lists for R.13-11-005 and A.17-01-013 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 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  
Service List A.17-01-013 et al.

# 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: Yvonne Yang

Phone #: (415) 973-2094

E-mail: Yvonne.Yang@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) #: **3904-G/5175-E**

**Tier: 2**

Subject of AL: **Advice Filing Pursuant to Decision 17-03-026 Regarding Pacific Gas and Electric Company's 2017 through 2020 Financing Pilots Budget**

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type:  Monthly     Quarterly     Annual     One-Time     Other \_\_\_\_\_

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: Decision 17-03-026

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: **December 3, 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 24 days<sup>1</sup> 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., 4<sup>th</sup> 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 B13U**  
**P.O. Box 770000**  
**San Francisco, CA 94177**  
**E-mail: PGETariffs@pge.com**

<sup>1</sup> The 20-day protest period concludes on a holiday. PG&E is hereby moving this date to the following business day.

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

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