

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 9, 2019

PG&E Advice Letter 4119-G/5588-E

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, CA 94177

Subject: Staff Disposition of Pacific Gas and Electric Company's Advice Letter Submission, "Supplemental Request for Energy Efficiency Program Enhancements to Assist Wildfire Impacted Customers"

Dear Mr. Jacobson,

PG&E's Advice Letter 4119-G/5588-E is approved with an effective date of August 14, 2019, with the modifications that follow.¹

Background

On July 15, 2019, PG&E filed advice letter 4119-G/5588-E, which requests to extend the approved provisions of Advice 3928-G/5219-E, Supplemental Advice 3928-G-A/5219-E-A, and Advice 4068-G/5479-E to benefit homeowners who are rebuilding wildfire-destroyed homes to 2019 Title 24 [Part 6; building energy] code.

Some of the provisions of the approved advice letters included doubled residential new construction energy efficiency incentives, increased non-residential new construction cap and design assistance, and extended the California Advanced Homes Program to apply to in-law units. These incentives were offered to all customers affected by the 2017 and 2018 wildfires with building permits subject to the 2016 Title 24 Part 6 building energy code. Further, these incentives were designed to encourage customers to exceed the 2016 code and build to 2019 code specifications or beyond.

The advice letter requests approval to continue to apply the previously approved program offerings to customers rebuilding homes destroyed in 2017 and 2018 wildfires with building permits subject to either the 2016 or the 2019 Title 24 code on a first-come, first-served basis.

The advice letter also states that consistent with ex ante rules, PG&E would not claim any savings for new construction work that is not in excess of code.

¹ Effective date as requested in PG&E's AL 4119-G/5588-E

PG&E's advice letter received one protest from the CPUC Public Advocates' Office (Cal Advocates). Described below is a summary of arguments made by Cal Advocates and PG&E's response to the protest:

1. Cal Advocates protested the Advice Letter arguing that the program should not be considered an energy efficiency program since it will incentivize customers to essentially build to current (2019) code. Cal Advocates asks that PG&E implement the program [using its own funds] and track the costs in a wildfire memorandum account [to be requested for reimbursement through other regulatory processes].
2. PG&E predicts that, if extended, the program savings will be 2-4% above 2019 code, as opposed to at least 20% above 2016 code under the original program.²
3. PG&E proposes to keep the same incentive levels as offered under 2016 code.³
4. In its response PG&E states that even though energy efficiency savings are not substantive they are not zero either. While PG&E acknowledges that it will likely be a cost-ineffective program, it predicts that the effect of the program on PG&E's overall portfolio will be minimal, in part because program uptake has only been 6%.

Additional arguments

1. When the Advanced Energy Rebuild Program was first launched in 2018, the timing- in terms of 2016 code implementation- was favorable. The building industry, which includes builders, architects, building contractors, energy consultants and building inspectors already had a year of implementation experience with 2016 code, and therefore had higher comfort level going beyond code practices. However, the end of this year puts wildfire applicants at the beginning of a new code cycle with potential early implementation challenges.⁴
2. Many of the wildfire impacted homeowners are unable to apply for current incentives because of reasons beyond their control. Large portions of the impacted lands are not yet ready for homeowners to begin the planning and permitting process. Consequently, by the time their building permits are approved they will likely be subjected to the 2019 code cycle.⁴

Disposition

Energy Division is conditioning the approval of this advice letter on the following modifications.

1. The Advanced Energy Rebuild Program is extended until December 31, 2020 for 2017 and 2018 wildfire applicants from the affected counties who may be subjected to build to the 2019 Building Energy Code.
2. We direct PG&E to file a Tier 1 advice letter which expands on the following questions and is filed within 60 days of the approval of this advice letter. PG&E may begin work on

² PG&E Reply to the Protest, pg.1.

³ PG&E email exchange with Cal Advocates, cited in Cal Advocates' protest; pg. 3 footnote 10).

⁴ PG&E phone conversation with CPUC staff, October 8, 2019

the program enhancements upon the approval of the immediate advice letter, in advance of filing the Tier 1 advice letter requested here. The Tier 1 advice letter shall do the following:

- i. Provide a detailed plan for increasing program uptake and removing barriers identified for the Advance Energy Rebuild program. As identified by customers, these include but are not limited to: lack of flexibility, lack of upfront clarity on what will be rebated, too many requirements, unclear upfront qualification criteria, emotional desire to recreate the exact same provisions as in the original house (including gas appliances), and the cost of meeting program requirements being much more than the incentives offered. ⁵ Considering that each applicant or potential applicant will have a different barrier to participation, the plan shall demonstrate an approach that can be customized to address customer-specific barriers.
- ii. Explain how program offerings will differ in 2021. In other words, what advanced technologies that go above and beyond the 2019 code (and are perhaps anticipated in the 2022 code) will be promoted in the original spirit of the program?

PG&E advice letter 4119-G/5588-E is approved with the conditions above. Please contact Abhilasha Wadhwa at 916-823-4774 or abhilasha.wadhwa@cpuc.ca.gov for further questions.

Sincerely,



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

CC:

Pete Skala, Energy Division; CPUC
Jennifer Kalafut, Energy Division; CPUC
Hal Kane, Energy Division; CPUC
Nick Zanjani, Energy Division; CPUC
Shannon O'Rourke, Energy Division; CPUC
Rory Cox, Energy Division; CPUC
Abhilasha Wadhwa, Energy Division; CPUC
Conrad Asper, Pacific Gas and Electric Company
Yvonne Yang, Pacific Gas and Electric Company

⁵ TRC Energy Services presentation of Advanced Energy Rebuild program at the CPUC and CEC Joint Public Workshop on Building Decarbonization, July 30, 2019.

<https://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=6442462147>

July 15, 2019

Advice 4119-G/5588-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

Subject: Supplemental Request for Energy Efficiency Program Enhancements to Assist Wildfire Impacted Customers**Purpose**

Pacific Gas and Electric Company (PG&E) requests to extend the approved provisions of Advice 3928-G/5219-E, Supplemental Advice 3928-G-A/5219-E-A, and Advice 4068-G/5479-E to benefit homeowners who are rebuilding wildfire-destroyed homes to 2019 Title 24 code.

Background

On April 27, 2018, the California Public Utilities Commission (CPUC or Commission) approved the following requests included in PG&E Advice 3928-G/5219-E "Request for Energy Efficiency Program Enhancements to Assist October 2017 Wildfire Impacted Customers" and Supplemental Advice 3928-G-A/5219-E-A:

1. Double residential new construction incentives and increase technical support.
2. Increase non-residential new construction incentive cap and design assistance.
3. Allow the California Advanced Homes Program (CAHP) to apply to in-law units.
4. Evaluate program enhancements every two years.

The enhanced program offerings, known as Advanced Energy Rebuild (AER) were made available to serve customers with destroyed homes or businesses in the eight counties impacted by the October 2017 wildfires. On March 19, 2019, the Commission approved PG&E Advice 4068-G/5479-E, which expanded the offering to apply to all customers affected by the 2018 wildfires rebuilding a destroyed home or business with building permits subject to the 2016 Title 24 building code.

These program enhancements were intended to be a limited-term solution designed to encourage customers to exceed the 2016 building code in advance of the code change on January 1, 2020. However, PG&E has become aware that many customers who have lost their homes to wildfires in 2017 and 2018 may not be ready or able to pull

permits before the end of 2019. PG&E would like to continue to serve these customers through the AER offering by providing incentives to rebuild these homes to 2019 Title 24 code and beyond.

Summary of Request

PG&E requests the approved program enhancements in Advice 3928-G/5219-E and Supplemental Advice 3928-G-A/5219-E-A also apply to all customers rebuilding a wildfire-destroyed home or business with building permits subject to the 2019 Title 24 building code on a first-come, first-served basis.

As described in Advice 4115-G/5578-E, submitted June 28, 2019, only six percent of eligible housing units with approved 2016 Title 24 code construction permits are participating in AER. As noted in Advice 4068-G/5479-E, PG&E originally budgeted for 40 percent participation (2,500 units) after the October 2017 wildfires, and expected to be able to extend the offer to 2018 wildfire victims within and up to the approved budget estimates included in Advice 3928-G-A/5219-E-A (\$3.77 million annually).

Given the fixed availability of funding and the desire to serve customers who may be unable to obtain building permits under 2016 Title 24 Code, PG&E requests an expansion of the AER program to include customers who are rebuilding to 2019 Title 24 code. See Table 1 for a summary of the program changes:

Table 1

Advice Letter No.	Scope of Program Participants	Participant Design Requirements
Original Advice 3928-G/5219-E and Supplemental Advice 3928-G-A/5219-E-A	Limited to 2017 wildfire victims	Designs must exceed 2016 Title 24 building code.
PG&E Advice 4068-G/5479-E (Expansion No. 1)	Added 2018 wildfire victims	No change. Designs still must exceed 2016 Title 24 building code.
Current PG&E Advice 4119-G/5588-E (Expansion No. 2)	No change. Still applies to both 2017 and 2018 wildfire victims.	Expands to allow applicant designs to exceed either 2016 or 2019 Title 24 building code, depending on building permit issued.

Consistent with ex ante rules, PG&E would not claim any savings for new construction work that is not in excess of code.

All AER participants will be included in the planned evaluation detailed in Advice 3928-G-A/5219-E-A and in the annual evaluation advice letter summarizing customer participation. The second AER annual evaluation advice letter is due in June 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 August 5, 2019, which is 21 days¹ 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.

The protest shall also be sent to via both 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).

¹ The 20-day protest period concludes on a weekend, therefore, PG&E is moving this date to the following business day.

Effective Date

PG&E requests that this Tier 2 advice letter submittal become effective on regular notice, August 14, 2019, 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 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

cc: Service List R.13-11-005



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 U39M)

Utility type:

- ELC GAS WATER
 PLC HEAT

Contact Person: Yvonne Yang

Phone #: (415)973-2094

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: Yvonne.Yang@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) #: 4119-G/5588-E

Tier Designation: 2

Subject of AL: Supplemental Request for Energy Efficiency Program Enhancements to Assist Wildfire Impacted Customers

Keywords (choose from CPUC listing): Energy Efficiency

AL Type: Monthly Quarterly Annual One-Time Other:

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

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: See attached Confidentiality Declaration and Matrix
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: N/A

Resolution required? Yes No

Requested effective date: 8/14/19

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
City of Palo Alto	Marin Energy Authority	Tiger Natural Gas, Inc.
	McKenzie & Associates	
City of San Jose	Modesto Irrigation District	TransCanada
Clean Power Research	Morgan Stanley	Troutman Sanders LLP
Coast Economic Consulting	NLine Energy, Inc.	Utility Cost Management
Commercial Energy	NRG Solar	Utility Power Solutions
County of Tehama - Department of Public Works		Utility Specialists
Crossborder Energy	Office of Ratepayer Advocates	
Crown Road Energy, LLC	OnGrid Solar	Verizon
Davis Wright Tremaine LLP	Pacific Gas and Electric Company	Water and Energy Consulting Wellhead Electric Company
Day Carter Murphy	Peninsula Clean Energy	Western Manufactured Housing Communities Association (WMA)
		Yep Energy
Dept of General Services		
Don Pickett & Associates, Inc.		
Douglass & Liddell		