

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**



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Application of Pacific Gas and Electric Company To Revise Its Electric Marginal Costs, Revenue Allocation, and Rate Design, including Real Time Pricing, to Revise its Customer Energy Statements, and to Seek Recovery of Incremental Expenditures.

Application 10-03-014

(U 39 M)

**MOTION OF PACIFIC GAS AND ELECTRIC COMPANY
TO STRIKE PORTIONS OF THE CALIFORNIA CITY-COUNTY STREET
LIGHTS ASSOCIATION'S (CAL-SLA) PREPARED DIRECT TESTIMONY**

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I. INTRODUCTION

Pursuant to Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission), Pacific Gas and Electric Company (PG&E) moves to strike limited portions of the prepared testimony of both Ms. Laura Stuchinsky and Mr. Scott Wentworth on behalf of the California City-County Street Light Association (CAL-SLA), both served on October 6, 2010 in PG&E’s 2011 General Rate Case Phase 2, and which propose a rebate for Light Emitting Diode (LED), induction and linear fluorescent bulbs.¹ This is a proposal to rebate an Energy Efficiency measure. As such, it is properly the subject of separate Energy Efficiency proceedings and is beyond the scope of this GRC Phase 2 proceeding. Specifically, PG&E moves to strike the section of Ms. Stuchinsky’s CAL-SLA testimony entitled “Rebates and Incentives” at page 8, lines 7 – 21, as well as the following portions of Mr. Wentworth’s CAL-SLA testimony on rebates: p. 1 line 9 (“and rebates”); p. 3 lines 12 – 13; p.

¹ Ms. Stuchinsky’s rebate proposal is only for LED and induction bulbs, whereas Mr. Wentworth also adds “linear fluorescent” bulbs to the list of technologies for which CAL-SLA’s very general testimony here seeks new energy efficiency “rebates.”

11 line 11 through p. 12 line 2; and p. 12 line 7 (“and rebates”). CAL-SLA should be encouraged to augment and pursue its rebate proposal within the context of the Energy Efficiency proceeding, with the necessary level of detail required in such proceedings.

II. CAL-SLA’S REQUESTED REBATES FOR LED AND INDUCTION BULBS IS BEYOND THE SCOPE OF THIS GRC PHASE 2 PROCEEDING

By way of background, the testimony presented by Ms. Stuchinsky and Mr. Wentworth on behalf of CAL-SLA supports a request for a new streetlight tariff schedule (LS-4) that would use the Cities of San Jose and Oakland as “beta sites” for a new tariff tailored to these cities’ large-scale network controlled systems. These witnesses’ testimony states that these systems allow their new LED and induction streetlights to be dimmable such that these Cities hope to achieve energy and maintenance savings that are not able to be captured under PG&E’s current, non-metered rate schedule for customer-owned lights (LS-2), which does not accommodate dimming as it is an estimated schedule based on averages. Their new LS-4 tariff proposal seeks to closely link PG&E bill payments to actual metered electricity consumption for each luminaire. (CAL-SLA/Wentworth, p. 5, lines 5 – 6.) Certainly, proposing such a new Rate Schedule *is* within the scope of this GRC Phase 2 proceeding, which, as set forth in the Scoping Memo in this proceeding, focuses on marginal costs, revenue allocation and rate design. PG&E does not move to strike CAL-SLA’s LS-4 tariff request, which should be litigated in this proceeding.

However, what PG&E objects to, and hereby moves to strike, is CAL-SLA witnesses’ testimony on the topic of “Rebates and Incentives.” Proposing the implementation of rebates or incentives for Energy Efficiency measures is unquestionably beyond the scope of this proceeding. The design, approval and implementation of Energy Efficiency rebate and incentive programs is an in-depth process with a high level of stakeholder involvement and is subject to extensive Commission oversight. Both the City of San Jose and Oakland are well aware of the Commission’s process with respect to Energy Efficiency program design and approval, having

both participated in the process for development and approval of the last EE portfolio through PG&E's local government partnership program.

Specifically, the GRC Phase 2 CAL-SLA testimony of Ms. Stuchinsky -- who works for the City of San Jose's Department of Transportation as its Sustainability Officer -- goes too far when, after requesting a new LS-4 rate schedule, it adds the following request: (at page 8 lines 7 – 21):

“Rebates and Incentives

Given that network controls will facilitate energy conservation by PG&E customers, the City proposes that PG&E offer a rebate for network control systems that meet their minimum requirements. Namely that the system:

1. Passes a PG&E field test that demonstrates that the measuring devices accurately report the streetlights' kilowatt-hour (kWh) usage.
2. Meets the CPUC's accuracy standard of plus or minus two (2) percent in both steady-state and dimmed modes; and
3. Software application in the control system is able to compile and export the combined usage data to PG&E in the Electronic Data Interface (EDI) 867 format.

Finally, CAL-SLA, the City of San Jose and the City of Oakland propose that PG&E offer a rebate for induction streetlights, similar to its LED streetlight rebate program. While the City of San Jose plans to install LED streetlights, it is considering using induction for pedestrian lights. Induction is another energy efficient, long-lasting lighting technology that can be dimmed. The rebate would facilitate the City's efforts to dim its pedestrian lights and enable other cities that may prefer induction to LED and make use of the LS-4 tariff schedule.” (CAL-SLA/Stuchinsky, p. 8 lines 7 – 21)

Similarly, the GRC Phase 2 CAL-SLA testimony sponsored by Mr. Scott Wentworth -- a professional electrical engineer for the City of Oakland -- includes both passing and detailed references to requested “rebates” which should be stricken. The passing references occur at page 1 line 9, as well as page 3 lines 12 – 13 “availability of rebates for each technology that fully

reflects the value of energy efficiency to utilities and ratepayers;” and page 12 line 7 “and rebates.” Mr. Wentworth’s fuller request for a new rebate appears at page 11 as follows:

“REBATES ARE NECESSARY

New rebates will be very important to support closed loop street lighting system implementation. Each efficiency and demand response measure will create a benefit, however the costs for such emerging technologies are initially extraordinarily high. Rebates recognize the long-term benefits of viable technologies and help promote projects that lead to case studies that prospective customers use when considering their options.

Because these network controls will create new means for energy conservation, the CAL-SLA proposes that PG&E offer a rebate for network control systems that meet a set of minimum requirements. Rebates are necessary for fluorescent lighting technologies as well as LED. Street lighting products using induction and linear fluorescent are available on the market and proven to meet the recommendations of the ANSI standard for roadway lighting, IES Recommended Practice Number Eight.” (CAL-SLA/Wentworth, p. 11 line 11 through p. 12 line 2.)

While PG&E shares CAL-SLA’s hopefulness about the promise of central control network dimmable street lighting technologies, adopting a new energy efficiency rebate is quite a different thing than adopting a new rate schedule. The latter is within scope here but the former is not appropriate for a GRC Phase 2 proceeding. The Commission reviews Energy Efficiency issues and proposals through separate Energy Efficiency dockets, not through GRC proceedings.² When presenting a proposal for an Energy Efficiency program, the Investor-Owned Utility (IOU) will submit a detailed Program Implementation Plan (PIP) for each program, explaining how various requirements for Energy Efficiency programs are met. The Commission then reviews the PIPs individually and in the context of the entire portfolio.

For example, PG&E’s CPUC-approved Energy Efficiency programs are funded primarily

² For example, the Commission addresses various Energy Efficiency issues in its Rulemaking (R.) 09-11-014, Rulemaking to Examine the Commission’s Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues, and recently approved the IOU’s respective energy efficiency portfolios for the 2010-2012 period in Decision 09-09-047 in A.08-07-021.

from a separate non-bypassable charge, which is distinct from PG&E's general rate case Phase 1 funding. (P.U. Code §381(b)(1).) The statute imposes a cost-effectiveness requirement for Energy Efficiency portfolios as a whole that must be met, with tracking of results occurring through quarterly and annual data submissions, as specified by the Commission. (*See id.*) In approving the IOUs' respective portfolios, the Commission balances the need for resource and non-resource programs, ensures proper support for the California Long Term Energy Efficiency Strategic Plan, and sets cost-effectiveness and other spending targets and caps for the portfolio. This process is subject to extensive Commission oversight. For example, the Commission recently approved the IOUs' respective portfolios for the 2010-2012 program years after a nearly one and one-half year review and approval process. (*See D. 09-09-047*).

Here, Ms. Stuchinsky acknowledges that CAL-SLA's request for rebates is "similar to [PG&E's] LED streetlight rebate program"—an Energy Efficiency program that is part of PG&E's 2010-2012 portfolio.³ This GRC Phase 2 is not the proper forum to make such a proposal. Accordingly, it should be stricken without prejudice to CAL-SLA's making a similar proposal with the appropriate level of detail, in the appropriate CPUC Energy Efficiency dockets.

III. CONCLUSION

Although PG&E has indeed been working with CAL-SLA, and the Cities of San Jose and Oakland regarding the new central control network dimmable street lighting technologies they reference elsewhere in their testimony, and PG&E is hopeful that they will eventually lead to reductions in energy usage and opportunities for cost savings for Cities that pursue such streetlighting options, PG&E respectfully requests CAL-SLA's testimony supporting its request for new energy efficiency rebates and incentives for LED, induction and linear fluorescent bulbs

³ Attached as Exhibit A hereto is the *Joint IOU Report on Streetlight Retrofit Program for Local Governments in Compliance with Decision 09-09-047*.

should be stricken as being beyond the scope of this GRC Phase 2 proceeding. The CPUC's ruling granting PG&E's motion to strike should instead encourage CAL-SLA to pursue its request in the context of PG&E's Energy Efficiency programs, including by making its proposal in the appropriate Energy Efficiency dockets, augmenting it to provide the necessary level of specificity to be actionable on a par with other technologies seeking energy efficiency rebate funding.

For all the reasons set forth above, the CPUC should now strike the following limited portions of CAL-SLA's prepared testimony: the section of Ms. Stuchinsky's testimony entitled "Rebates and Incentives" at page 8, lines 7 – 21, as well as the following portions of Mr. Wentworth's testimony on "rebates:" p. 1 line 9 ("and rebates"); p. 3 lines 12 – 13; p. 11 line 11 through p. 12 line 2; and p. 12 line 7 ("and rebates").

Respectfully Submitted,

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