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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.

Rulemaking 13-11-005
(Filed November 14, 2013)

ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING COMMENTS RE REGIONAL ENERGY NETWORKS

Pursuant to the October 30, 2015 "Assigned Commissioner and Administrative Law Judge's Ruling and Amended Scoping Memorandum Regarding Implementation of Energy Efficiency 'Rolling Portfolios' (Phases IIB and IIIA of R.13-11-005)" we invite party comments relating to Regional Energy Networks (RENs).

The Commission authorized RENs to serve as program administrators (PAs) for energy efficiency programs starting in program year 2013.¹ REN programs, and, indeed, RENs themselves, are pilots. As such RENs are subject to the general admonition from D.09-09-047 that "we intend to scrutinize pilot programs to ensure they achieve their objectives before allowing these programs to become more permanent," much less expanding them.

In D.12-11-015, when we approved the Southern California Regional Energy Networks and Bay Area Regional Energy Networks budgets, we called for additional and possibly expedited evaluation of REN programs:

¹ Decision (D.) 12-11-015 at 17.

It will be especially important, with the REN activities, to emphasize more evaluation to determine if certain piloted activities were successful and should be scaled up in 2015 and beyond, or discontinued altogether. To the extent possible, Commission staff and RENs themselves should consider early evaluation activities prior to the end of 2014, in order to have more information going into the 2015 portfolio design process.

As it turned out, we did not have Commission-evaluated data from RENs' 2013-2014 performance in time to inform 2015 budgets. Accordingly, in D.14-10-046, we maintained the *status quo* for RENs through 2015 (and into 2016) while we gathered additional data.

Now we have available the following Commission-sponsored evaluation reports:

- A. The Program Year 2013–2014 RENs Value and Effectiveness Study Draft Report, The Value and Effectiveness Study, conducted by Opinion Dynamics Corporation, Final, January 5, 2016 (Value and Effectiveness Study).
- B. 2013-2014 RENs and Community Choice Aggregator Programs Impact Assessment Draft Report, January 7, 2016 (Impact Assessment Study), prepared by Itron, Apex Analytics and DNV-GL.
- C. RENs Reconciliation Memo, January 7, 2016, Dr. Katherine Johnson, Evaluation, Measurement and Verification Advisor- Energy Division, CPUC.

These reports are attached to this ruling as exhibits A-C.

With these reports in hand, we can turn to two interrelated but distinct questions bearing on the future of RENs:

1. Does REN program performance warrant continuing REN programs, regardless of whether RENs remain PAs? Which programs should continue receive expanded or reduced funding/ or be terminated?

2. Should RENs remain PAs in connection with whatever portfolio of programs they oversee?

We invite party comment on these questions. In preparing their comments, parties should use the attached reports, and also the presentations at the January 22, 2016 “What’s Next for the RENs?” workshop, as the primary basis for their comments.

IT IS RULED that:

1. Formal comments on the questions presented in this ruling must be filed by February 26, 2016.
2. We are not imposing any page limits on comments responding to this ruling.

Dated January 12, 2016, at San Francisco, California.

/s/ TODD O. EDMISTER

Todd O. Edmister
Administrative Law Judge