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

Application of Southern California Edison Company (U338E) for Approval of its Energy Savings Assistance and California Alternate Rates for Energy Programs and Budgets for Program Years 2015-2017.

Application 14-11-007
(Filed November 18, 2014)

And Related Matters.

Application 14-11-009
Application 14-11-010
Application 14-11-011

**REPLY COMMENTS OF PACIFIC GAS AND ELECTRIC COMPANY (U39-M) ON
THE PROPOSED DECISION AND ALTERNATE PROPOSED DECISION ON LARGE
INVESTOR-OWNED UTILITIES' CALIFORNIA ALTERNATE RATES FOR ENERGY
AND ENERGY SAVINGS ASSISTANCE PROGRAM APPLICATIONS**

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I. INTRODUCTION

Pursuant to Rule 14.3(d) of the Commission's Rules of Practice and Procedure, Pacific Gas and Electric Company (PG&E) replies to comments on the Proposed Decision of Administrative Law Judge W. Anthony Colbert (PD) and the Alternate Proposed Decision of Commissioner Catherine J.K. Sandoval (APD).

II. DISCUSSION

A. PG&E Supports Adoption of an Immediate Energy Savings Target.

PG&E agrees that adopting an ESA energy savings target is appropriate.^{1/} PG&E supports ORA's proposal to adopt interim targets based on historical program results, and to subsequently create a goal in 2018 following the results from the 2017 ESA Potentials and Goals Study.^{2/} It is premature to set an immediate energy savings goal for ESA at 15% above the energy savings the IOUs achieved in 2014, as NRDC and TURN propose.^{3/}

The goal proposed by NRDC and TURN is not achievable at this time. PG&E treated more homes in 2014 than are proposed and budgeted for in 2017. PG&E treated 123,539 homes in 2014, which is well above the 90,030 homes target proposed in the PD and APD for 2017.^{4/} Removing the go-back, 3 Measure Minimum, and measure cap rules that the IOUs currently use to help achieve cost-effective energy savings will make it easier to treat more homes, but will not necessarily provide greater energy savings (either per home, or in total). To establish goals (rather than targets), the low income energy savings potential needs to be assessed along with a redesign of the ESA program to create infrastructure that targets and maximizes delivery of energy savings.^{5/}

^{1/} APD, p. 433 (OP 4).

^{2/} ORA Opening Comments on PD, p.2; ORA Opening Comments on APD, p.5.

^{3/} NRDC Opening Comments on PD and APD, p.5; TURN Opening Comments on APD, p.1.

^{4/} PD OP 81 and APD OP 77. Both the PD and APD propose 90,030 for each of 2017-18; the APD adds 99,258 and 104,221 for 2019-20.

^{5/} PG&E Opening Comments, p.6. (Establishing a goal will significantly affect design and delivery of the ESA program).

PG&E performed a cursory analysis to compare the ESA production in 2014 with the APD's 2017 goals in order to evaluate PG&E's ability to achieve the APD's ESA energy savings targets. As indicated in Attachment A (below), the APD suggests a slight increase in the savings goal for 2017 relative to 2014, while reducing the units served in PG&E's service area by 25%. This equates to a per-home savings increase of 40%, or 144 kWh. While NRDC's proposed increase of 15% appears fairly small, when the reduction from 120,000 to 90,000 homes treated is factored into the equation, the per home kWh savings increases from 359 to 548 kWh--a 53% increase in energy savings per home. Such an increase could not be supported under PG&E's current ESA program structure and budget.

B. Mid-Cycle Activities and Working Groups Should be Consolidated.

PG&E supports stakeholder engagement and agrees with Greenlining that it is necessary to consolidate the mid-cycle work.^{6/} Consolidation can be accomplished through the re-establishment of the Mid-Cycle Working Group (MCWG) and the creation of task groups to address specific topics as needed. The MCWG should be required to prioritize projects and update and obtain input from stakeholders through public forums and workshops. Introducing the California Energy Efficiency Coordinating Committee (CAEECC) model now as proposed by NRDC^{7/} adds complexity and further impedes the immediate progress needed to advance the ESA Program. PG&E proposes the CAEECC model be reconsidered in the future to allow CAEECC to work through all processes and procedures and to consider lessons learned.

PG&E supports Proteus' request that the current ESA Working Groups include representation from the LIOB. However, PG&E does not support Proteus' request for the LIOB to oversee the IOUs' operation of the ESA Program.^{8/} The Commission's regulatory oversight of IOUs should not be delegated to an advisory board. The LIOB's mission is to "advise the

^{6/} Greenlining Opening Comments, p.11.

^{7/} NRDC Comments, p.12.

^{8/} Proteus' Opening Comments, pp. 6-7.

Commission” (Pub. Util. Code § 382.1). The LIOB Charter does not include oversight authority of the IOUs' operations. In fact, the LIOB Charter specifically restricts LIOB's authority, stating that “it shall not have the authority to direct energy or water corporations to act or refrain from acting. Such authority shall remain solely with the Commission.”^{9/}

C. The CSD Recommendations for Data Sharing and Data Administration Exceed CPUC Mandates and Should be Rejected.

PG&E will continue to support the ongoing collaboration and coordination of marketing, education and outreach activities with CSD, and will continue to work on new activities recommended by CSD on an advisory basis subject to the supervision of the Commission. PG&E does not support CSD's proposal to create a working group that would be empowered to mandate certain further activities and administrative changes in the IOUs' existing low-income programs.^{10/} The IOUs' low income programs are conducted under the supervision of the Commission and in compliance with the Public Utilities Code; the Commission's authority may not be delegated to a "working group." PG&E also does not support CSD's proposal for a "mega statewide energy database." A statewide database was previously considered and rejected by the Commission, and the expense, technical complexities and privacy and security concerns in creating such a statewide database remain unresolved. Instead, as the Commission determined in D.14-05-016, adopting general rules for third-party access (including CSD) to the IOUs' energy usage data is preferable to the complex undertaking that would be required to create a statewide energy database.^{11/}

D. PG&E Agrees with TURN's Recommendations on Measures.

PG&E agrees with TURN that the record does not support either: (1) the APD's phase out of evaporative coolers and their replacement with central air conditioning units;^{12/} or (2) the

^{9/} Commission Resolution E-4905, Attachment, Section 8.1 (June 7, 2007).

^{10/} Community Service Department Opening Comments, pp. 2-7.

^{11/} D.14-05-016, pp. 8, 14.

^{12/} Comments of The Utility Reform Network (TURN) on APD, p.7.

APD's approach to high efficiency furnaces.^{13/} Evaporative coolers saved 1.4 million kWh and 467 kW at a cost of \$650 per unit in PG&E's 2015 ESA Program.^{14/} Central air conditioners had zero energy savings at a cost of \$3,985 per unit in 2015.^{15/} Adding load for the sake of demand responsiveness, as opposed to permanently reducing it, may not be in the best interests of energy savings goals, GHG reduction, or long-term drought mitigation. The APD goes beyond Southern California Gas' (SCG's) targeted HE Furnace proposal in requiring HE Furnaces in all instances. PG&E supports SCG's approach to offer this measure in targeted climate zones for specific types of customers who will receive the most cost savings from the measure.

E. Enhancing Mobile Versioning of PG&E's Website for CARE/ESA Information Provides Greater Benefits Than a Mobile Application.

PG&E agrees with CforAT that PG&E's website should be optimized for mobile viewing to allow low-income customers who rely on mobile service as their only form of Internet access to interact with the CARE enrollment and certification process.^{16/} Regarding mobile applications, CforAT is also correct that it "is unclear how customers are better served through apps than they are through websites that are optimized for mobile viewing."^{17/} PG&E also sees minimal benefit of creating a costly dedicated application, which should not be required by the Commission.

F. Requiring Certain CARE Customers to Participate in the ESA Program Would Increase Barriers for CARE Enrollment and Retention.

PG&E agrees with CforAT's support of "efforts to enhance the linkage between CARE and ESA in reasonable ways."^{18/} Therefore, PG&E agrees with CforAT's and ORA's opposition to the "PD's required participation in ESA by CARE customers who have been on that program

^{13/} *Id.* p.9.

^{14/} PG&E 2015 ESA Program Annual Report (May 1, 2016), Table 2.

^{15/} *Id.*

^{16/} CforAT Opening Comments, p. 7.

^{17/} *Id.*, p.8.

^{18/} CforAT Opening Comments, p. 8.

ATTACHMENT A

**Comparison of PG&E ESA 2014 Home Treated and Energy Savings
with the APD 2017 Goals**

Program Year	Estimated Homes Served	Program Savings, GWh	Savings Per Home, kWh	NRDC Recommend
2014 ^{1/}	120,000	43.07	359	49.53 GWh Annually
2017 ^{2/}	90,030	45.25	503	548.5 kWh per home
% Difference	25%	5%	40%	53%

^{1/} 2014 Estimated Homes Served and Program Savings reported in PG&E ESA Annual Report for Program Year 2014, May 1, 2015.

^{2/} 2017 Homes Served and Program Savings Targets from APD, OP.77 and OP.4.