

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



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Order Instituting Rulemaking to Develop a  
Successor to Existing Net Energy Metering  
Tariffs Pursuant to Public Utilities Code  
Section 2827.1, and to Address Other Issues  
Related to Net Energy Metering.

Rulemaking 14-07-002  
(Filed July 10, 2014)

**RESPONSE OF LIBERTY UTILITIES (CALPECO ELECTRIC) LLC (U933E) TO  
ADMINISTRATIVE LAW JUDGE'S RULING SEEKING PROPOSALS AND  
COMMENTS ON IMPLEMENTATION OF ASSEMBLY BILL 693**

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Dated: August 3, 2016

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Pursuant to the July 8, 2016 *Administrative Law Judge’s Ruling Seeking Proposals and Comments on Implementation of Assembly Bill 693* (“ALJ Ruling”), Liberty Utilities (CalPeco Electric) LLC (U 933-E) (“Liberty Utilities”) provides these comments on the implementation of Assembly Bill 693 (“AB 693 Program”). Liberty Utilities will not be responding to all of the questions set forth in the ALJ Ruling because, for the reasons described below, the California Public Utilities Commission (“Commission”) should exempt Liberty Utilities from contributing greenhouse gas (“GHG”) allowance proceeds to fund the AB 693 Program and having projects in its service territory participate in the AB 693 Program.

**I. LIBERTY UTILITIES MAY HAVE NO CUSTOMERS, AND AT MOST A NEGLIGIBLE NUMBER OF CUSTOMERS, WITHIN ITS SERVICE TERRITORY THAT WOULD QUALIFY FOR THE AB 693 PROGRAM**

Very few, if any, Liberty Utilities’ customers will likely be eligible to participate in the AB 693 Program because of the restrictive criteria specified in Public Utilities Code section 2870 that determines whether a customer can participate in the AB 693 Program.<sup>1</sup> Specifically, in order to participate in the AB 693 Program, a customer must live in a property that meets the

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<sup>1</sup> All additional statutory references in this pleading are to the Public Utilities Code.

statutory definition of a “qualified multifamily affordable housing property” set forth in Section 2870(a)(3):

A multifamily residential building of at least five rental housing units that is operated to provide deed-restricted low-income residential housing, as defined in clause (i) of subparagraph (A) of paragraph (3) of subdivision (a) of Section 2852, and that meets one or more of the following requirements:

- A. The property is located in a disadvantaged community, as defined by the California Environmental Protection Agency pursuant to Section 39711 of the Health and Safety Code.
- B. At least 80 percent of the households have incomes at or below 60 percent of the area median income, as defined in subdivision (f) of Section 50052.5 of the Health and Safety Code.

Liberty Utilities does not maintain the specific customer demographics described in Section 2870(a)(3) and so cannot presently determine whether any specific customer’s property qualifies for the AB 693 Program – particularly information as to whether a multifamily residential building is deed-restricted as low-income residential housing. However, in order to estimate whether any customer’s property would qualify for the AB 693 Program, Liberty Utilities examined its customers’ participation in the California Alternative Rates for Energy (“CARE”) program among its sub-metered and master-metered customers as well as its customers living in apartment complexes.

Based on this examination, Liberty Utilities estimates that dwellings that meet just Section 2780(a)(3)(B) will represent less than 0.1% of its customers.<sup>2</sup> Further examination of this small segment of customers to determine whether they also meet the requirements of Section

<sup>2</sup> For the purpose of providing this estimate, Liberty Utilities broadly interpreted the existence of 5 or more meters with the same service address as constituting a multi-family dwelling or apartment complex. Of all the customer properties with 5 or more meters, four had CARE participation greater than 80%. While CARE participants likely include households that are not “below 60% of the area median income,” Liberty Utilities used CARE participation as an overly inclusive proxy for such households.

2780(a)(3)(A) or are located in deed-restricted low-income residential housing would likely result in an even more negligible number of customers that are eligible for the AB 693 Program. In fact, the statutory requirements of Section 2780(a) may possibly eliminate all Liberty Utilities customers from being eligible for the AB 693 Program.

**II. LIBERTY UTILITIES SHOULD BE EXEMPT FROM CONTRIBUTING GHG ALLOWANCE PROCEEDS TO FUND THE AB 693 PROGRAM AND HAVING PROJECTS IN ITS SERVICE TERRITORY PARTICIPATE IN THE AB 693 PROGRAM**

Liberty Utilities lauds the goals of Assembly Bill 693, but requests an exemption from contributing GHG allowance proceeds and having projects in its service territory participate in the AB 693 Program.

*First*, as discussed above, there is a negligible number of customers and qualified properties that may be statutorily eligible to participate in the AB 693 in Liberty Utilities' service territory.

*Second*, Liberty Utilities continues its commitment to the administration and success of the CARE and Energy Savings Assistance ("ESA") programs to provide support for the disadvantaged communities within its service territory. For example, Liberty Utilities is currently awaiting a decision on its 2015 – 2017 CARE/ESA application filed in 2014 that outlines several proposed new outreach efforts aimed at increasing CARE participation and ESA coverage. Such efforts will likely have a greater benefit to disadvantaged communities in Liberty Utilities' service territory than the AB 693 Program given the negligible number of customers and qualified properties that would be eligible to participate in the AB 693 Program.

*Third*, the administrative effort associated with developing and administering the AB 693 Program in Liberty Utilities' service territory will likely be ongoing and Liberty Utilities lacks resources and funding to administer or participate in the AB 693 Program. Liberty Utilities

already currently utilizes part-time outside consultants to execute its GHG and Public Purpose Programs. While the March 18, 2016 *Administrative Law Judge's Ruling (1) Adding Respondents and (2) Providing Interim Direction to California Electric Utilities on Accounting for Funds for Implementation of Assembly Bill 693* ("March 18 Ruling") required that Liberty Utilities set aside a portion of its GHG auction proceeds to fund potential AB 693 activities as part of the recent GHG chapter and requests made as part of its Energy Cost Adjustment Clause ("ECAC") application, the March 18 Ruling did not also explicitly allow Liberty Utilities to set aside the related administrative costs associated with building and maintaining the program.

For these reasons, Liberty Utilities requests an exemption from contributing GHG allowance proceeds and having projects in its service territory participate in the AB 693 Program as the costs associated with it and its customers' participation in the AB 693 Program outweigh the likely and actual benefits to Liberty Utilities' customers that AB 693 intends.

Respectfully submitted,

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/s/

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