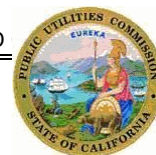


**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298**FILED**11-14-17  
03:22 PM

November 14, 2017

Agenda ID #16136  
Ratesetting

TO PARTIES OF RECORD IN APPLICATION 14-11-007 ET AL.:

This is the proposed decision of Administrative Law Judge W. Anthony Colbert. Until and unless the Commission hears the item and votes to approve it, the proposed decision has no legal effect. This item may be heard, at the earliest, at the Commission's December 14, 2017, Business Meeting. To confirm when the item will be heard, please see the Business Meeting agenda, which is posted on the Commission's website 10 days before each Business Meeting.

Parties of record may file comments on the proposed decision as provided in Rule 14.3 of the Commission's Rules of Practice and Procedure.

The Commission may hold a Ratesetting Deliberative Meeting to consider this item in closed session in advance of the Business Meeting at which the item will be heard. In such event, notice of the Ratesetting Deliberative Meeting will appear in the Daily Calendar, which is posted on the Commission's website. If a Ratesetting Deliberative Meeting is scheduled, ex parte communications are prohibited pursuant to Rule 8.3(c)(4)(B).

/s/ ANNE E. SIMON

Anne E. Simon

Acting Chief Administrative Law Judge

AES:jt2

Attachment

Decision PROPOSED DECISION OF ALJ COLBERT (Mailed 11/14/2017)

**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

And Related Matters.

Application 14-11-009

Application 14-11-010

Application 14-11-011

(See Attachment 2 for Appearances)

**DECISION RESOLVING PETITIONS FOR MODIFICATION OF  
DECISION 16-11-022**

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Attachment 1 - Redlined Version of Decision 16-11-022

Attachment 2 - List of Appearances

**DECISION RESOLVING PETITIONS FOR MODIFICATION  
OF DECISION 16-11-022****Summary**

This decision grants, in part, and denies, in part, two Petitions for Modification of Decision (D.) 16-11-022 in which we adopted budgets and program directives for the investor-owned energy utilities' (IOUs) administration and participation in the California Alternate Rates for Energy (CARE) and Energy Savings Assistance (ESA) Programs for 2017 through 2020.<sup>1</sup> These are the Commission's low-income energy assistance programs designed to reduce the energy bills of eligible customers, and to improve the quality of health, comfort, and safety for California's low-income population.<sup>2</sup> In each budget cycle, the Commission approves budgets for, and directs the IOU's administration of, these two programs for the next program cycle.

Following issuance of D.16-11-022, the following related Petitions for Modification (PFMs) were timely filed on March 24, 2017:

- a. A Petition for Modification was filed jointly by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas and Electric Company (SDG&E), and the Southern California Gas Company (SoCalGas) (collectively the Joint IOUs); and
- b. A Petition for Modification was jointly filed by The California Housing Partnership Corporation, the Natural Resources Defense Council, and the National Consumer Law Center, (collectively the Joint Parties).

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<sup>1</sup> By ruling dated January 6, 2015, the assigned Administrative Law Judge (ALJ) consolidated the proceedings in Application (A.) 14-11-007 (SCE), A.14-11-009 (SDG&E), A.14-11-010 (PG&E), and A.14-11-011 (SoCalGas), from which this consolidated proceeding follows as A.14-11-007 et al.

<sup>2</sup> Decision (D.) 08-11-031 at 2.

In both cases, the petitioning parties appropriately provided specific wording revisions to the Decision pursuant to Rule 16.4 (b).

A number of the parties' proposed modifications to D.16-11-022 are intended to clarify ambiguities or internally inconsistent language that does not fully reflect the intent of the Decision. Other proposed modifications involve substantive issues that were contested by the parties. We have considered all parties' comments in finalizing the modifications we adopt. Based upon due review of the relevant pleadings, we adopt some, but not all, of the above-referenced petitioners' recommended modifications to D.16-11-022. We also adopt some additional clarifications and/or modifications to address issues that came to light during consideration of the Petitions on our own motion. These issues include but are not limited to correcting typographical errors, specifying dates for deliverables where specific dates were not provided, clarifying directives where there may have been ambiguous or conflicting language, removing language that is no longer relevant, feasible or applicable, among other minor corrections.

The modifications that we adopt are comprehensively incorporated in Attachment 1 hereto in the form of a red-lined modified version of D.16-11-022. Attachment 1 identifies in a comprehensive manner, all of our adopted additions and deletions to D.16-11-022. In this manner, the various modifications can be most clearly understood in the overall context of the Decision in its entirety. With adoption of these modifications, the original version of D.16-11-022 is superseded by the modified version set forth as Attachment 1. With the adoption of this decision, no further outstanding matters remain in this proceeding. Accordingly, we close the consolidated proceedings.

**1. Procedural Background**

The Commission issued Decision (D.) 16-11-022, on November 21, 2016. Pursuant to Rule 16.4 of the Rules of Practice and Procedure of the California Public Utilities Commission (CPUC or Commission), two related Petitions for Modification (PFM) were timely filed.

The first PFM was filed on March 24, 2017 by Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), (collectively the Joint Investor-Owned Utilities or IOUs).

The following parties filed responses to the IOUs' PFM on April 24, 2017: the Commission's Office of Ratepayer Advocates (ORA); the Natural Resources Defense Council (NRDC), the National Consumer Law Center (NCLC) and the California Housing Partnership (CHPC) (collectively Joint Parties); the Greenlining Institute (Greenlining); the Center for Accessible Technology (CforAT); and the California Efficiency and Demand Management Council (formerly California Energy Efficiency Industry Council). Home Energy Analytics (HEA) filed comments to the IOUs' PFM on April 21, 2017. The Joint IOUs filed a consolidated reply to these responses on May 5, 2017.

A second PFM was filed by the Joint Parties.

The following parties filed a response to the Joint Parties' PFM on April 24, 2017: the Joint IOUs, and a separate joint response was submitted by Greenlining and The Utility Reform Network (TURN). On June 5, 2017, the Joint Parties filed a consolidated reply to these responses.

On June 22, 2017, a prehearing conference (PHC) was held to discuss the issues raised in the two PFMs. At the PHC, the Administrative Law Judge (ALJ) ruled that the both PFMs would be resolved within a single Commission

decision. Based on the filed pleadings, as outlined above, this decision is rendered disposing of the two PFMs, as reflected in the red-lined modified version of the Decision, set forth here in Attachment 1.

## **2. Summary of Proposed Modifications to the Decision**

### **2.1. Joint IOUs' Proposed Modifications**

The Joint IOUs propose the following modifications to D.16-11-022:

1. Remove the directive to facilitate the delivery of customer information to the Community Services Department (CSD) through Green Button Connect, and permit the IOUs and CSD to facilitate data exchange through the Energy Data Request Portal (EDRP) or other procedures deemed mutually appropriate to CSD and each respective the IOU.
2. Remove the directive to create a statewide database tool for CSD to access utility customer data, and maintain the directive that IOUs and CSD execute individual agreements to facilitate CSD's access to the data.
3. Remove the directive to report when a balance of unspent funds exceeds eight percent, in favor of current reporting requirements to file regular monthly and annual reports identifying the balance of unspent funds, and to lodge quarterly reports with the Low-Income Oversight Board (LIOB).
4. Remove the directive to prepare reports using Advanced Metering Infrastructure (AMI) data to assess multifamily (MF) properties, and instead direct these reports be prepared as part of the ongoing Energy Efficiency Proceeding (Rulemaking (R.) 13-11-005). In the alternative, defer completion of these reports until evaluations are completed in the Energy Efficiency proceeding.
5. Permit IOUs the option to offer Tier I power strips in addition to Tier II strips.
6. Clarify that approval of SoCalGas' high efficiency (HE) forced air unit (FAU) furnace proposal includes not only the early replacement scenario but also the replacement on burnout.



7. Modify the directive that SCE install central air conditioners to be consistent with Energy Savings Assistance Program (ESA) policy.
8. Clarify the tracking requirements applicable to offering second refrigerators.
9. Correct the directive for the replacement policy for primary and secondary refrigerators to be to be refrigerators manufactured prior 2001.
10. Correct SoCalGas' and SDG&E's allocation for payment of the 2017 Energy Efficiency Potential Study Consultant to be consistent with prior Commission directives. The IOUs agree the appropriate payment allocation should be 30 percent for PG&E, 30 percent for SCE, 25 percent for SoCalGas, and 15 percent for SDG&E.
11. Clarify that IOUs should propose coordination programs with water agencies and companies in the Mid-Cycle update in Third Quarter 2018, not in a conforming advice letter in 2017.
12. Clarify that the IOUs are to propose a Programmable Communicating Thermostat (PCT) pilot in the mid-cycle advice filing in mid-2018 rather than through the conforming advice filing.
13. Clarify that households treated jointly between an IOU and the CSD, California Energy Commission (CEC), and/or Department of Water Resources (DWR) shall count towards IOUs' households-treated goals.
14. Correct IOU's ESA Programs homes-treated targets in Ordering Paragraph (OP) 79 to accurately reflect the goals projected for the 2018 year.
15. Correct the Decision to reflect that the Energy Savings Assistance Cost Effectiveness Test (ESACET) test was approved for use in D.14-08-030.
16. Modify the directive that LifeLine providers are automatically enrolled in the California Alternate Rates for Energy (CARE) Capitation Program, in favor of vesting discretion in IOUs to

screen providers' qualifications for the Capitation Program and invite only those qualified LifeLine providers the option to participate in the Program.

17. Clarify that funding for the coordination effort between the IOUs and California LifeLine for outreach and enrollment will be authorized as part of the LifeLine proceeding.
18. Clarify that the Decision does not require IOUs to use CARE program funds to reimburse LifeLine providers for the provision of smartphones to customers.
19. Modify the Decision to confirm that \$300,000 authorized budgets for each IOUs' CARE information technology programming efforts are authorized for 2017, not 2016.
20. Modify the Decision to allow the IOUs to fund patrons' transportation expenses to and from cooling centers using appropriate CARE fund shifting rules.
21. Modify the finding that deed-restricted MF properties qualify for the CARE Expansion program, as the Decision relied on precedent that does not support this finding.
22. Clarify a financial table by inserting a heading titled "Approved CARE IT Budgets" to alleviate confusion as to what program this chart references.
23. Modify the directive for electric IOUs to conduct a Request for Proposal (RFP) and retain a vendor to create end-use profiles of the CARE and ESA-eligible population to allow the electric IOUs with the appropriate capability to have the discretion to use internal resources to prepare these profiles without incurring additional costs to retain a vendor. Further, the Decision should clarify that the deadline to complete the RFP is December 31, 2017.
24. Remove an order to include several topics for study and analysis for the Low-Income Needs Assessment (LINA) Study to be completed by 2019.
25. Clarify that the IOUs are directed to develop mobile versions of their Internet websites, including MyEnergy/MyAccount, to

allow for ESA and CARE program enrollment, post enrollment verification, and recertification on mobile phones in lieu of creating mobile applications (“apps”), and clarify that the deadline for developing such mobile versions (or mobile apps, if still required) is December 31, 2017.

26. Clarify the deadlines for the IOUs to submit detailed outline of Marketing and Outreach (M&O) plans with the conforming advice letter, after consultation with the Energy Division, and to file detailed M&O plans 60 days after completion of an M&O workshop.
27. Confirm that the IOUs are not directed to develop load profiles to share with bidders in the Demand Response Auction Mechanism (DRAM). In the alternative, confirm that the profiles are to be shared with the bidders in the next available DRAM bid process (2019).
28. Modify all directives to create new balancing accounts or sub-accounts to track expenses, and instead direct the IOUs to track and report these new expenses in current monthly and annual reports for the CARE/ESA Programs

## **2.2. Joint Parties’ Proposed Modifications**

The Joint Parties propose modifications to D. 16-11-022, as follows:

1. Establish an implementation and reporting timeline for the new ESA Rent-restricted MF program.
2. Provide additional direction and clarity for the MF Working Group.
3. Facilitate coordination of the ESA program funding and the Low Income Weatherization Program (LIWP), and direct this issue to be considered as part of the MF Working Group’s activities.
4. Expand On-Bill Financing (OBF) for the master-metered MF market.
5. Ensure the Mid-Cycle Working Group stakeholder processes are open and transparent.

### **3. Substantive Disposition of the IOUs PFM Requests**

#### **3.1. Facilitating IOU-CSD Customer Data Exchange**

The Joint IOUs seek to remove the directive in Section 5.3.3. of the Decision requiring the delivery of utility customer information to the CSD through the Green Button Connect My Data Program (Green Button), and instead to permit the IOUs and CSD to facilitate data exchange through the EDRP or other procedures deemed mutually appropriate to CSD and each respective IOU.

D.16-11-022 acknowledges the benefits of seamless coordination across platforms for the ESA Program administered by the IOUs, and LIWP as administered by CSD.<sup>3</sup> Both programs benefit low income utility consumers by providing weatherization services at no cost to lower their utility bills. In this way, the benefits of coordination between these programs are in line with our statutory directives to curtail the energy related hardship low income customers face. Accordingly, the IOUs were directed in D.14-11-025 to file in their 2015-2017 applications, clear and descriptive plans<sup>4</sup> to leverage opportunities across programs, including utilizing dual providers to minimize costs, leveraging, and refining a data sharing program to support CSD compliance with federal reporting obligations.

In line with this directive, the Decision requires the utilities to “enter into appropriate non-disclosure agreements between themselves and [CSD] to facilitate a statewide database and individual data sharing agreements.”<sup>5</sup> This

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<sup>3</sup> See discussion at D.16-11-022 at 363-368.

<sup>4</sup> See D.14-11-025 at 3; and 36 in “Appendix A” of the same, titled “Corrected Attachment Q to D.14-08-030.”

<sup>5</sup> D.16-11-022 OP 140.

“data sharing” was to occur via the IOUs authorizing CSD to “become an authorized third party,”<sup>6</sup> that could access their Green Button platform to obtain customer usage data directly for the purpose of coordination efforts.

The Green Button platform facilitates exchange of IOU customer energy usage and related data with CSD in accordance with the “government entity”<sup>7</sup> disclosure exception outlined in the Commission’s privacy rules<sup>8</sup> governing third-party disclosures of customer data established in D.11-07-056. The utilities were directed to file plans outlining the parameters of a data sharing plan in their conforming advice letters,<sup>9</sup> and to outline Green Button data coordination efforts in their 60 day reports.<sup>10</sup>

The Joint IOU in their PFM oppose use of the Green Button platform as means to share data with CSD, however, arguing that this platform is a “wholly inadequate means” for facilitating customized data requests involving transfer of large amounts of customer information.<sup>11</sup> The IOUs argue that Green Button can only support data transfer of one customer at a time, and therefore the technology cannot be modified to permit broader exchange of information. They have determined that the volume and type of information proposed to be exchanged with CSD for coordination efforts cannot be accommodated via the

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<sup>6</sup> *Id.* at 369.

<sup>7</sup> See Rule 6(c) of Attachment D: Commission Rules Regarding Privacy and Security Protections for Energy Usage Data adopted in D.11-07-056 OP at 163.

<sup>8</sup> *Id.*

<sup>9</sup> D.16-11-022 at 369.

<sup>10</sup> *Id.* at Conclusion of Law (COL) 191.

<sup>11</sup> IOUs Joint Petition for Modification Filed March 24, 2017, at 5.

Green Button platform.<sup>12</sup> Instead, the IOUs request to facilitate the exchange of data ordered by the decision to CSD through the EDRP, established by the Commission for such purposes in D.14-05-016.<sup>13</sup> The IOUs point out that CSD was specifically authorized<sup>14</sup> to exchange such data with them via the EDRP for the same purposes we outlined in our decision. They argue that this is a mutually agreeable platform for such exchange, and more agreeable than the Green Button.

No party responded to this PFM proposal.

### **Discussion**

The Joint IOUs' request is unopposed, and in line with previous Commission precedents regarding the use of the EDRP platform for data exchanges with CSD. Therefore we approve the IOUs request to utilize the EDRP platform, and modify the Decision accordingly.

### **3.2. Clarifying the Requirement for an IOU-CSD Statewide Database**

In their PFM, the Joint IOUs seek to remove the directive in Section 5.3.3 of the Decision to create a statewide database tool for CSD to access utility customer data, and maintain the directive that IOUs and CSD execute individual agreements to facilitate data exchange. The Joint IOUs request that the

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<sup>12</sup> *Id.*

<sup>13</sup> The EDRP was adopted by the Commission, to "1) receive all requests for data; 2) post details of the data requests; and 3) tracks the progress and status of utility's response to those data requests." It also hosts "all information regarding the process to request energy data, including a list of all data attributes collected by the utility with those available for request clearly indicated; examples of common requests that are likely to be granted (e.g. residential data aggregated at the zip plus 1 level for purposes of climate action planning); a form to request data; and the ability to submit the request to a utility." See D.14-05-016 (2014) at 91.

<sup>14</sup> See D.14-05-016 (2014) OP6 at 158.

Commission remove the directive to create a statewide database, in favor of pursuing individual data sharing agreements to facilitate the exchange of customer information.<sup>15</sup>

No party responded to this PFM request.

### **Discussion**

In adopting D.16-11-022, we did not anticipate the creation of a statewide database, and did not provide funding to support the creation of a statewide database. The Decision directs the utilities to enter into individual data sharing agreements to facilitate the creation of a statewide database.<sup>16</sup> However the Decision also acknowledges that “further push for a statewide database and four individual data sharing agreements” would be onerous.<sup>17</sup> In the alternative, the IOUs are directed to enter into appropriate individual non-disclosure agreements to facilitate data sharing.<sup>18</sup>

Accordingly, we find that COL 190, contradicts our intended result, and is in error. Therefore, the directive to create a statewide database is removed in lieu of existing and future individual utility customer data sharing agreements between the IOUs and CSD.

### **3.3. Removing the 8 Percent Unspent Funds Reporting Trigger**

The Joint IOUs request to remove the directive in Section 3.1.2 of the Decision, requiring the IOUs to report to the LIOB when a balance of unspent

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<sup>15</sup> IOUs PFM at 6-7.

<sup>16</sup> D.16-11-022 OP 140 at 490, and again at COL 190 at 443.

<sup>17</sup> *Id.* at 368.

<sup>18</sup> *Id.*

funds exceeds 8 percent. They seek instead to maintain current reporting requirements of filing regular monthly and annual reports identifying the balance of unspent funds, and to lodge quarterly reports with the LIOB.<sup>19</sup>

### **Party Comments**

Greenlining is opposed to removal of this requirement, arguing that this rule is a necessity.<sup>20</sup>

### **Discussion**

We find no significant benefit in receiving notice every time utility unspent funds exceed the 8 percent threshold on a given day. We conclude that the monthly, annual and quarterly LIOB reports are sufficient to identify the status of unspent funds. We thus modify the Decision to remove the ongoing 8 percent threshold reporting requirement in place of the IOUs continuing to report unspent funds balances in the monthly and annual utility reports submitted to the Commission, as well as quarterly updates to the LIOB.

### **3.4. Clarity on Additional “Data Beyond Single Point of Contact” (SPOC) Reporting**

The Joint IOUs seek to remove the directive in Section 3.9 to prepare reports using AMI data to assess MF properties, and instead direct these reports be prepared as part of the ongoing Energy Efficiency Proceeding (R.13-11-005). In the alternative, they seek to defer completion of these reports until evaluations are completed in the Energy Efficiency proceeding.

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<sup>19</sup> Joint IOU PFM, at 7; D.16-11-022, at 40, required the IOU to report unspent funds balances to the LIOB quarterly, as well as underspent funds (lower than anticipated levels of spending during a budget year) in addition to requiring the IOUs to report to the Commission whenever the balance of unspent funds exceeds 8 percent.

<sup>20</sup> Greenlining Protest to Joint IOU PFM at 2-4



D.16-11-022 orders additional data tracking and reporting for the non-rent restricted multi-family building stock to consider whether a Single Point of Contact (SPOC) is sufficient for treating the common areas of the MF buildings.<sup>21</sup> This data should be shared with the members of the MF Working Group, and shall include assessment of potential energy savings verified by AMI data, tracking of whether landlords are able to finance common area upgrades, and tracking as a subset the amount of Willing and Feasible Treatment for MF owners.

In their PFM,<sup>22</sup> the Joint IOUs contend:

- a. It is unclear whether this effort is intended to be a one-time report or an on-going effort;
- b. Using AMI data to report potential energy savings is extensive, expensive and done on a project by project basis;
- c. Due to the complexity of the data collection ordered in the Decision for non-deed restricted housing, this data collection effort should not be on-going for MF buildings where common areas are not being treated, especially since any potential savings would need to be re-calculated at the time of treatment.

The Joint IOUs thus request that this directive be deferred until the Commission completes an evaluation of utility use of AMI data to assess energy savings in the Energy Efficiency proceeding. If this data collection is required, the IOUs request that the information be required annually and separate from the existing annual report process due to timing alignment challenges.

In response, the Joint Parties argue that the data collection is critical for evaluating whether the approximately one-million low-income households living

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<sup>21</sup> D.16-11-022 at 197, OP 45.

<sup>22</sup> IOU PFM at 8-9.

in non-deed restricted housing should be eligible for more comprehensive services and to inform the recommendations of the MF working group for any mid-cycle adjustments or consideration in the next program cycle, and delegating to the MF working group whether AMI energy potential data is a helpful reporting requirement.<sup>23</sup>

In reply to the Joint Parties,<sup>24</sup> the Joint IOUs argue that the request for additional data tracking is premature and only after the Energy Efficiency Proceeding (R.13-11-005) High Opportunity Program and Projects (HOPPs) evaluations have been completed should the Commission allow the MF Working Group to review the evaluations and develop an assessment plan specific to the Low Income proceeding.

### **Discussion**

To provide clarity, we modify Section 3.9 of D.16-11-022. As currently written, this directive is vague and may be problematic to implement as it requires the IOUs to do assessments of non-deed restricted MF properties for measure needs and to use AMI data to verify the potential energy savings of these properties. Therefore, we modify the directive to require the IOUs to conduct and report an annual analysis of the square footage, energy consumption and time since last retrofit of non-deed restricted MF properties with a high percentage of low income tenants. This process should adopt the approach outlined in SDG&E's Advice Letter 2865 E-C, Submission of High Opportunity Projects and Programs (HOPPs) Proposal – Multifamily HOPP

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<sup>23</sup> NRDC/CHPC/NCLC Joint Response at 2-3.

<sup>24</sup> Joint IOUs' Reply to Comments at 3-4.

Program (SDG&E 3318). This report shall be submitted annually as part of the IOU annual CARE and ESA report.

A third party consultant should be engaged to assess high energy use intensity (EUI) MF properties across the state. A team should work to gather information in a series of workshops or formal consultant study whose work is transparent and reported out periodically via a process similar to that presented by SDG&E in Advice Letter 2865 E-C, Submission of High Opportunity Projects and Programs (HOPPs) Proposal – Multifamily HOPP Program (SDG&E 3318). In that program proposal, SDG&E engaged with a third party consultant to assess high EUI MF properties using San Diego County assessor records data and AMI data. The result of this effort is the Consumption Disaggregation Tool, which consists of square footage, energy consumption and time since last retrofit (among other characteristics) for MF properties in San Diego County. SDG&E then conducted a preliminary analysis to overlay these buildings with the eligible zip codes for low-income areas.

Akin to the Athens Research work on CARE/ESA eligibility estimates, a similar process should be conducted and pursued statewide by the IOUs for the ESA Program to determine non-deed restricted properties that have a high EUI (i.e. high potential for energy savings) and a high percentage of low income tenants. This process should be vetted by the MF Working Group. Similar to the Athens Research effort, this should be funded out of the ESA Program regulatory compliance budget.

### **3.5. Clarifying that Tier 1 Power Strips are Still Allowed**

The Joint IOUs seek modifications of the directives in Section 3.5.2 of the Decision regarding the use of Smart Strips. In D.16-11-022, we directed the IOUs

to add Tier II Smart Strips to replace the older version Tier I Smart Strips, with replacement to occur “when deployment of a Tier II power strip is appropriate.”<sup>25</sup> The Joint IOUs request that the Decision be modified to clarify that in using the language “is appropriate,” the Commission is allowing the IOUs to continue offering Tier I Strips as well as Tier II strips. The Joint IOUs believe the Tier I Smart Strip may continue to be useful for customers as it is beneficial for plugging into certain appliances, including non-audio/video applications, and is a more versatile unit. Therefore, the IOUs seek authority to continue offering Tier I Power Strips to customers under appropriate circumstances and where practicable.<sup>26</sup>

No party responded to this PFM proposal.

### **Discussion**

We concur with the Joint IOUs that even though Tier II Power Strips result in higher energy savings and are more effective with audio/video systems, there are instances where a Tier I Strip is more appropriate. The Tier I Smart Strip is more cost effective when not utilizing the Infrared sensor which is the key difference between Tier I and Tier II strips. While Tier II Power Strips result in higher energy savings and are more effective with audio/video systems, Tier I Power Strips are more appropriate for non-audio/visual applications such as home offices. Therefore, we modify the Decision to clarify that the IOUs may continue offering Tier I Power Strips to customers under appropriate circumstances and where practicable.

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<sup>25</sup> D.16-11-022 at 115, OP 20.

<sup>26</sup> Joint IOU PFM at 9-10.

### **3.6. Approving High Efficiency Forced Air Units on Burnout Scenarios**

In D.16-11-022, Section 3.5.2, we approved SoCalGas' request to introduce the HE furnace "across all dwelling types and climate zones where the furnace being replaced is below code efficiency of 80% AFUE."<sup>27</sup> The Decision approved introduction of this measure in specific circumstances, when the HE furnace would replace a less efficient unit. In approving this measure, we stated our intent to help save energy and therms;<sup>28</sup> particularly in the Aliso Canyon affected area, considering the reliability risk and uncertainty the emergency posed.

Installation of the HE unit was approved where:

- a. The HE furnace to be installed has an Annual Fuel Utilization Efficiency (AFUE) of 0.95 to replace an existing inefficient furnace with AFUE less than or equal to 0.65,
- b. Customers receiving the HE furnace have usage above 400 therms in the winter season, and
- c. The household receiving the HE furnace qualifies for and receives infiltration and reduction measures under the ESA Program.<sup>29</sup>

For the Aliso Canyon affected areas, installation of the HE furnace was also approved to replace a unit that is below code.

In their PFM, the Joint IOU request clarification that the HE Furnace measure is approved in both early replacement and replacement on burnout scenarios. The IOU cite TURN's observation, noted in the Decision, that SoCalGas' HE furnace replacement proposal would provide savings "both when

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<sup>27</sup> D.16-11-022 at 106-107.

<sup>28</sup> D.16-11-022 at 106-107.

<sup>29</sup> D.16-11-022, OP 15.

the replacement is a resource measure (working unit replacement), and when the replacement is a non-resource measure (replacement of a non-working unit)."<sup>30</sup> Further, the PFM claims that SoCalGas currently replaces inoperative furnaces according to ESA Program rules, and upgrading the replacement to a HE unit "is significantly less expensive on a per-unit basis than replacing operational furnaces," with HE units as approved in the decision. In essence the Joint PFM seeks to extend the HE furnace replacement policy, to provide HE furnaces in replacement if it is a non-working unit.

No party responded to this PFM request.

### **Discussion**

We find the request to permit replacement with a HE unit in "burnout" scenario is reasonable, given our stated intent in the Decision to replace inefficient models with more efficient models. D.16-11-022 acknowledges the benefits of replacing inefficient furnaces with HE units.<sup>31</sup> A "burnout" furnace can be classified as "inefficient" for the purposes of this policy. We recognize the term "burnout" is ambiguous,<sup>32</sup> and clarify that "burnout" is more clearly defined here as the scenario where either the customer's existing inefficient furnace unit malfunctions to the extent that use becomes unfeasible, or

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<sup>30</sup> TURN, Mitchell Testimony at 3-7; referenced in D.16-11-022 at 105; and in IOU PFM at 10.

<sup>31</sup> D.16-11-022 at 106.

<sup>32</sup> The IOU's PFM provides conflicting definitions for the "replacement on burnout" scenario. In one instance this scenario is defined as "instances where it has been determined that it is necessary to replace a furnace through SoCalGas' current repair/replacement measure." In another citation the PFM appears to adopt TURN's definition of when the replacement is a "non-resource measure (replacement of a non-working unit)." Without specific information on how SoCalGas arrives at its determinations, we cannot rely on that definition.

malfunction renders that unit inoperable. We thus approve the IOU's PFM request to extend HE furnace replacement to burnout scenarios as defined above.

### **3.7. Modifying SCE's Air Conditioners Replacement Policy**

The Joint IOUs seek to modify the Decision, Section 3.5.2., which directs SCE to install central air conditioners (AC) to be consistent with ESA Program policy. D.16-11-022 declines SCE's proposal to replace inefficient ACs with evaporative coolers and directs SCE to offer customers the choice of an air conditioning or an evaporative cooler.<sup>33</sup> In the Joint IOU PFM, however, SCE asserts that:

- a. This directive is based on an erroneous interpretation of SCE's application and existing SCE ESA Program policies for installing central ACs and evaporative coolers. Existing rule allowed SCE to offer evaporative coolers as a complement to already existing AC units in order to maximize the efficiency of both the AC and evaporative cooler during particular periods of the cooling season. SCE did not propose to install evaporative coolers as an alternative to existing ACs as portrayed in the Decision.<sup>34</sup>
- b. Additionally, central ACs are only offered as a replacement for an inefficient, operable air conditioner, and are only authorized in CZ 13, 14 and 15. The directive to offer customers with inefficient ACs the option to elect AC repair/replacement or an evaporative cooler could potentially result in customers electing to repair or replace their central ACs in climate zones not authorized for central ACs (i.e., 10 and 16).<sup>35</sup>

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<sup>33</sup> D.16-11-022 at 118-122.

<sup>34</sup> Joint IOU PFM at 11-12.

<sup>35</sup> D.16-11-022 at 121.

- c. Therefore, SCE requests that the Decision be modified to remove any and all language that directs SCE to replace central ACs with evaporative coolers based on an appropriate reading of SCE's application and consistent with its actual ESA program. Additionally, any and all language that references SCE's replacement of evaporative coolers should be removed as SCE does not replace evaporative coolers.<sup>36</sup>

No party responded to this PFM proposal.

### **Discussion**

We acknowledge that existing policy in the Decision allows SCE to offer evaporative coolers as a complement to already existing AC units. These evaporative coolers were offered as a complement to the customer's existing AC unit to be used in place of running their AC because standard AC units consume more energy. SCE did not propose to install evaporative coolers as an alternative unit to existing ACs as portrayed in the Decision.<sup>37</sup> Therefore, we recognize that D.16-11-022 erred in interpreting SCE's request to replace all inefficient air conditioners with evaporative coolers. The Decision should be corrected to state that SCE's original proposal was to install evaporative coolers as a compliment to be used in place of the customer's existing ACs for eligible customers who reside in hot and dry climate zones (10, 13, 14, 15, and 16) where coolers are most effective. And that this policy is still permitted.

The Decision also required SCE to offer every household with an inefficient ACs the option to elect an AC repair or replacement or an evaporative cooler.<sup>38</sup> We recognize that this requirement would result in customers electing

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<sup>36</sup> Joint IOU PFM at 11-12.

<sup>37</sup> SCE Application and Testimony with Second Errata Changes at 116.

<sup>38</sup> D.16-11-022 at 121.



to repair or replace their central ACs in climate zones that are not previously authorized for central ACs (i.e., 10 and 16). We are concerned that these AC units are very expensive (up to \$3,900+ per unit) and are typically not cost effective in all homes or climate zones. The number of eligible households and likely cumulative costs of this measure were not considered. The Decision shall accordingly be modified to remove any and all language directing SCE to replace central ACs with the option of an AC repair, AC replacement or an evaporative cooler. Central ACs should only be offered as a replacement for an inefficient, operable air conditioner in CZ 13, 14 and 15, consistent with current ESA Program policy.

### **3.8. Evaporative Cooler Replacement Policy**

D.16-11-022, Section 3.6.3, directed each of the electric IOUs to offer traditional air conditioning as an option to households that currently use evaporative cooling that are eligible for replacement.<sup>39</sup> The Decision states that under current ESA Program rules, the IOUs replace existing, inefficient evaporative coolers with more efficient evaporative coolers, but not with traditional air conditioners, referencing the ESA Program California Installation Manual for climate zone eligibility and feasibility criteria, at 16-A.<sup>40</sup>

On behalf of the Joint IOUs, SCE requests that any and all language that references SCE's replacement of evaporative coolers be removed because SCE does not replace evaporative coolers.<sup>41</sup>

No party responded to this PFM request.

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<sup>39</sup> D.16-11-022 at 153.

<sup>40</sup> D.16-11-022 at 153.

<sup>41</sup> Joint IOU PFM at 11-12.

**Discussion**

We find that the Decision errs in concluding that current ESA Program rules allows the IOUs to replace existing, inefficient evaporative coolers with more efficient evaporative coolers. The Decision references the ESA Program California Installation Manual at 16-A, however 16-A only speaks to the feasibility criteria for an evaporative cooler installation, not replacement. The program does not offer evaporative cooler replacements. Evaporative coolers are only installed and provided as a compliment to existing AC units for eligible customers residing in certain hot climate zones. Therefore we concur with SCE and modify the Decision to remove any and all language referencing replacement of evaporative coolers.

**3.9. Second Refrigerator Replacement Criteria and Tracking**

The Joint IOUs seek to clarify the tracking requirements applicable to offering second refrigerators. D.16-11-022, Section 3.5.2, directed the IOUs to offer replacements of second refrigerators, after encouraging the recycling and retirement option, as a measure for households with at least six people living in the household.<sup>42</sup> D.16-11-022 also directed all the electric IOUs to track:

- a. The number of households treated where there is an inefficient second refrigerator onsite,
- b. Those offered retirement and recycling options who decline and receive a replacement of a more energy efficient second refrigerator, and
- c. Those offered retirement and recycling options who decline and also decline an energy efficient second refrigerator altogether.

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<sup>42</sup> D.16-11-022 at 102-103.

The IOUs could use this tracked data to propose an update to the replacement policy via a mid-cycle update Advice Letter filing.<sup>43</sup> However OP 14 directed the IOUs to “track the number of households treated under the ESA program where there is an inefficient second refrigerator onsite that would otherwise be eligible for replacement under the revised Program rules. Using this data, the IOUs should determine whether it is most effective to offer second refrigerator replacement for all, or to limit replacements to certain criteria groups, and shall make appropriate proposals for the next Program cycle.”<sup>44</sup>

The Joint IOUs request that Decision be clarified to allow them to offer different criteria for replacing second refrigerators, and to track and evaluate the replacement results to help determine the most effective policies for replacing second refrigerators in low income households.<sup>45</sup>

The Joint IOUs also request clarification of OP 14 regarding when to propose any updates to the rules for second refrigerator replacement based on this tracked information. OP 14 directs them to make any appropriate proposals for the next Program cycle, while page 103 of the discussion directs the IOUs to make any proposals via a mid-cycle update Advice Letter filing. The IOUs interpret the OP directive to “make appropriate proposals for the next Program cycle” as including such proposals in the next program application, and recommend the Decision be modified to clarify this understanding so that the OP matches the discussion.<sup>46</sup>

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<sup>43</sup> D.16-11-022 at 102-103.

<sup>44</sup> D.16-11-022, OP 14.

<sup>45</sup> Joint IOU PFM at 13-14.

<sup>46</sup> Joint IOU PFM at 13-14.

No party responded to this PFM proposal.

### **Discussion**

We conclude that the Decision should be clarified regarding second refrigerator replacements and adopt the following modification:

- a. The IOUs shall offer replacements of second refrigerators for households of at least six people with pre-2001 units.
- b. All the electric IOUs are directed to track the number of households that did not receive a second refrigerator under the Energy Savings Assistance Program rules in their annual reports.

Using this approach while gathering data, the IOUs may recommend an alternate second refrigerator replacement policy; whether it is to offer second refrigerator replacements for all, or to limit replacements to certain criteria groups. The IOUs may propose an update to this replacement policy in the mid cycle advice letter or in the next application.

### **3.10. Correction to Refrigerator Replacement Policy Date**

The Joint IOUs' PFM argue that the Decision's statement of policy regarding refrigerator replacements is incorrect. D.16-11-022 indicates that the current refrigerator replacement policy continues to apply to refrigerators manufactured prior to 2001, stating:

Finally, we find that a 5-to-8-year refrigerator replacement cycle, as proposed by some parties, is inappropriate given that refrigerator efficiency codes have not changed enough to warrant replacement of working 5-to-8-year old refrigerators. NRDC et al. recommends requiring replacement for refrigerators that are 8-10 years old on a rolling cycle, thereby not setting a specific year.

However conclude that a longer time frame is reasonable and therefore deny proposals to changes the existing replacement policy. We maintain the policy to replace both the primary and secondary

refrigerators manufactured prior to 2001. Parties can seek to modify the model year during the mid-cycle update process demonstrating that new appliance standards result in energy savings that result in cost-effective replacement of refrigerators manufactured after 2001.”<sup>47</sup>

The Joint IOUs note, however, that the current ESA refrigerator replacement criteria is pre-1999, and not 2001, and thus request clarification that the current ESA refrigerator replacement criteria of pre-1999 is changed to 2001 for primary and/or secondary refrigerator replacement.<sup>48</sup>

No party responded on this PFM request.

### **Discussion**

We conclude that the Decision erred in stating that the current ESA refrigerator replacement criterion is 2001, rather than pre-1999. The Decision shall be corrected to confirm that the current ESA refrigerator replacement criteria of pre-1999 is changed to 2001 for primary and secondary refrigerator replacement.

### **3.11. Correction to Energy Efficiency Potential Study Budget**

The Joint IOUs seek correction of the Decision regarding SoCalGas’ and SDG&E’s allocation for payment of the 2017 Energy Efficiency (EE) Potential Study Consultant in order to be consistent with prior Commission directives. D.16-11-022 directed the Energy Division staff to work with the 2017 consultant to provide an analysis and determination of the ESA Program energy savings

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<sup>47</sup> D.16-11-022 at 103.

<sup>48</sup> Joint IOU PFM at 14-15.

goal potential. The budget for this work was not to exceed \$300,000, to be funded by the 2016 Energy Savings Program budget.

The Joint IOUs agree the payment allocation should be 30 percent for PG&E, 30 percent for SCE, 25 percent for SoCalGas, and 15 percent for SDG&E. The appropriate payment allocation should be PG&E -30 percent, SCE-30 percent, SCG-25 percent, and SDG&E-15 percent. The Decision reverses these costs for SoCalGas and SDG&E.<sup>49</sup> The Joint IOUs thus request a correction to SoCalGas' and SDG&E's allocation for payment of the 2017 EE Potential Study Consultant to be consistent with prior Commission directives.

No other party responded to this request.

### **Discussion**

We acknowledge that the percentage allocations were transposed in D.16-11-022 for SDG&E and SCG, and thus we correct this error. The corrected allocations are PG&E -30 percent, SCE-30 percent, SCG-25 percent, and SDG&E-15 percent.

### **3.12. Clarification of the file date for Coordination Plans with Water Agencies and Companies**

D.16-11-022, Section 3.6.3., directs Water/Energy efficiency and conservation programs be proposed via the mid-cycle update Advice Letter while the COL 61 (at 419) directs the IOUs to file a Tier 2 conforming Advice Letter describing new leveraging plans with identified water wholesalers and retailers (water agencies and companies) operating in their service territories, as well as proposals for any other cold-water measures requested.<sup>50</sup>

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<sup>49</sup> D.16-11-022 OP 8.

<sup>50</sup> D.16-11-022 at 148-149, COL 61.

The Joint IOUs seek clarification that coordination programs with water agencies and companies in the Mid-Cycle update should be proposed in Third Quarter 2018, not in a conforming advice letter in 2017. The Decision directs the IOUs to propose coordination programs with water agencies and companies in a mid-cycle advice letter due in 2018, and also with the conforming advice letter due in March 2017.<sup>51</sup> The Joint IOUs ask that this difference in deadlines (i.e., mid-2018 or March 2017) be clarified and resolved. The IOUs believe the mid-cycle update is the appropriate deadline for this directive, to provide sufficient time to outline a coordination plan with water partners.

No party responded to this PFM request.

### **Discussion**

We concur that COL 61 should be corrected to reflect that these water leveraging plans are to be submitted via the mid-cycle advice letter process, and modify the Decision accordingly.

### **3.13. Clarification of Timing of the PCT Pilot**

The IOUs seek confirmation that they are to propose a PCT pilot in the mid-cycle advice filing in mid-2018 rather than through the conforming advice filing. D.16-11-022 directs all of the electric IOUs to propose a PCT pilot in their Conforming Advice Letters, but OP 146 states: “The electric IOUs shall consider inclusion in its mid-cycle update Advice Letter detailing the proposals for implementing this pilot as detailed in the appendix.”<sup>52</sup> The IOUs’ PFM requests

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<sup>51</sup> IOUs’ PFM at 15-16.

<sup>52</sup> D.16-11-022 Appendix A, at 387, COL 196, OP 146.

the PCT pilot be proposed in the Mid-Cycle Advice Letter in Third Quarter 2018.<sup>53</sup>

No party responded to this request.

### **Discussion**

We direct that the electric IOUs file uniform PCT pilot plans via Tier 2 Advice Letter by March 1, 2018. The pilot plans must be aligned with the core design plans in Appendix A of D.16-11-022 to the extent possible to determine actionable and reliable results. The goal is to have a pilot in place for the 2018 summer season. The additional time allows for the development/finalization of the Electric Power Research Institute prototype thermostat for low income and senior housing that will overcome the lack of broadband access required for off-the-shelf PCTs currently available.

#### **3.14. Reporting of Jointly Treated Households**

The IOUs seek clarification that households treated jointly between an IOU and CSD, CEC, and/or DWR shall count towards IOUs' households-treated goals. D.16-11-022, Section 3.6.3., directs the IOUs to track and report households treated under a joint funding mechanism with CSD, CEC and/or DWR.<sup>54</sup> However, the IOUs argue that the Decision also provides inconsistent orders regarding whether these homes are to count towards the IOUs homes-treated goals. The Decision directs that:

- a. "Households shall count toward the four Investor Owned Utilities (IOUs') household treated goals."<sup>55</sup>

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<sup>53</sup> The IOUs' PFM at 16.

<sup>54</sup> D.16-11-022 at 455 (OP 32).

<sup>55</sup> D.16-11-022 at 455 (OP 32).



- b. “Households should not count towards the IOUs’ households treated goals and should be removed from the remaining eligible population pool to be treated by the IOUs by 2020.”<sup>56</sup>
- c. “Households may count towards the IOUs’ households treated goals only if the IOU installs additional measures eligible under the ESA Program. Households that do not receive additional ESA Program measures do not count toward the IOU households treated goal.”<sup>57</sup>

The Joint IOUs argue that households leveraged with CSD and treated by the IOUs under the ESA program should count towards IOUs’ home-treated goals since there are energy savings associated with the measures installed. The IOUs request that the Decision clarify that households treated jointly between an IOU and CSD, CEC, and/or DWR can count towards IOUs’ households-treated goals.<sup>58</sup>

No party responded to this PFM proposal.

### **Discussion**

We acknowledge that the Decision provides inconsistent direction on how to count households leveraged and treated under a joint funding mechanism with CSD, CEC and/or the DWR. Our intention was to encourage leveraging between these agencies to reach more households, and maximize the offerings of available measures, energy savings, and funding sources. Therefore to clarify the Decision, we direct the IOUs to track and report households treated under a joint funding mechanism with CSD, CEC, and/or the DWR and allow the IOUs to count these jointed treated households towards their homes treated goals.

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<sup>56</sup> D.16-11-022 at 418 (COL 55).

<sup>57</sup> D.16-11-022 at 150.

<sup>58</sup> Joint IOU PFM Request at 17.

However these jointly treated homes should be reported separately, and when calculating the remaining eligible population using the methodology adopted in D.01-03-028, the IOUs are not to double count these homes jointly treated by the programs. The methodology adopted in D.01-03-028 allows the IOUs to deduct the remaining eligible population by the number of households treated by CSD's program as well as households treated by the ESA program to determine remaining households to be treated. Where the household is jointly treated by both programs, that household would have already been captured CSD household treated data and should not be counted again in the IOUs' data.

### **3.15. Correction to Ordering Paragraph 79, Household Treatment Goals Table**

The IOUs seek correction regarding the IOU's ESA Programs homes-treated targets in OP 79 of the Decision to accurately reflect the goals projected for the 2018 program year. The Decision provides the following household treated goals for the program cycle<sup>59</sup>:

Program Year	PG&E	SCE	SDG&E	SoCalGas	Total
2017	90,030	54,509	20,316	110,000	274,855
2018	94,532	57,234	21,332	115,500	288,598
2019	99,258	60,096	22,398	121,275	303,028
2020	104,221	63,101	23,518	127,339	318,179
<b>Total</b>	<b>388,041</b>	<b>234,941</b>	<b>87,564</b>	<b>474,114</b>	<b>1,184,659</b>

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<sup>59</sup> D.16-11-022, pp. 279

However OP 79 provides the following household treated goals for the program cycle in error:

Program Year	PG&E	SCE	SDG&E	SoCalGas	Total
2017	90,030	54,509	20,316	110,000	274,855
2018	90,030	54,509	20,316	110,000	274,855
2019	99,258	60,096	22,398	121,275	303,028
2020	104,221	63,101	23,518	127,339	318,179
<b>Total</b>	388,041	234,941	87,564	474,114	<b>1,184,659</b>

The Joint IOUs state that the IOU ESA Programs homes-treated targets in OP 79 are incorrect for program year 2018 year and should be corrected.<sup>60</sup>

No party responded to this proposal.

### **Discussion**

We concur that the IOU ESA Programs homes-treated targets in OP 79 are incorrect for program year 2018 year and should be corrected to match the table on page 279 of the Decision, as shown below.

Program Year	PG&E	SCE	SDG&E	SoCalGas	Total
2017	90,030	54,509	20,316	110,000	274,855
2018	94,532	57,234	21,332	115,500	288,598
2019	99,258	60,096	22,398	121,275	303,028
2020	104,221	63,101	23,518	127,339	318,179
<b>Total</b>	388,041	234,941	87,564	474,114	<b>1,184,659</b>

### **3.16. Correction to Reference of the Adoption of the ESACET**

The Joint IOUs seek modification of the Decision to reflect that the ESACET test was approved for use in D.14-08-030. They state that the Decision's

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<sup>60</sup> Joint IOU PFM at 18-19.

finding is inconsistent with the mandate in D.14-08-030, and should be modified to reflect that ESACET is already approved for use in 2015 and 2016, as well as in the 2017-2020 program cycle.<sup>61</sup> D.16-11-022 states that “Before the ESACET can be adopted, we need to consider proposals that consider how to leverage opportunities with other demand side management programs are included.”<sup>62</sup>

The Joint IOUs point out that the ESACET test was already approved for use in D.14-08-030, stating: “The IOUs shall apply the two proposed new cost-effectiveness tests, the Energy Savings Assistance Cost-Effectiveness Test (ESACET)....”<sup>63</sup>

No party responded to this proposal.

### **Discussion**

The IOUs are correct in stating that D.14-08-030 already approved and adopted use of the ESACET. Therefore, as requested, we modify the Decision to reflect that the ESACET has already been adopted and approved for use.

### **3.17. LifeLine Coordination Efforts**

The Joint IOUs request modification of three specific LifeLine directives, in the interest of facilitating smoother program coordination with the CARE/ESA program, as follows:

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<sup>61</sup> Joint IOU PFM at 19.

<sup>62</sup> D.16-11-022 at 220.

<sup>63</sup> Phase II Decision on the Large Investor-Owned Utilities’ 2012-2014 Energy Savings Assistance Program and California Alternate Rates For Energy Program Applications, A.11-05-017, et al., D.14-08-030, mimeo. at 122 (OP 43(c)).

- a. Remove the requirement to automatically enroll all LifeLine providers into the CARE Capitation Program, in favor of vesting discretion in the IOUs to screen providers' qualifications.<sup>64</sup>
- b. Revise the decision to allow coordination efforts with Lifeline to occur with the statewide implementer, and not the individual providers, requiring any funding for such efforts be authorized as part of the LifeLine proceeding.<sup>65</sup>
- c. Confirm that they are not required to use CARE program funds to reimburse LifeLine providers for the provision of smartphones to customers.<sup>66</sup>

### Party Comments

CforAT was the only party to comment on this item. Generally, CforAT supports the IOUs' request to coordinate with willing providers in the CARE capitation program. However CforAT suggests that the Decision be revised to require the IOUs to reach out to all LifeLine providers and assess their willingness to participate in the capitation program, and to enroll any LifeLine vendor in the program as long as the provider meets the administrative requirements for participation.<sup>67</sup> Additionally, CforAT opposes the IOUs request to fund capitation funding from the LifeLine fund.

CforAT does not oppose coordination with the CA LifeLine Administrator, as proposed in the IOUs' PFM, provided that this is an efficient additional

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<sup>64</sup> IOUs PFM at 19.

<sup>65</sup> *Id.* at 21.

<sup>66</sup> *Id.* at 21-22.

<sup>67</sup> CforAT reply at 3-4.

channel for shared information, not a substitute for working with willing providers.<sup>68</sup>

In reply, Joint IOUs agree with CforAT's proposal to allow participation in the CARE Capitation Program by LifeLine providers on a case-by-case basis after the IOUs assess the providers' willingness to participate and the provider meets the administrative requirements.<sup>69</sup> The Joint IOUs do not comment on CforAT's opposition to funding capitation efforts from the LifeLine program.

### **Discussion**

In the interest of improving LifeLine program coordination with the CARE/ESA program, we shall modify the Decision with respect to IOU LifeLine activities in the following manner. Specifically, we:

- a. Revise the requirement to automatically enroll all LifeLine providers into the CARE Capitation Program, in favor of vesting discretion in the IOUs to enroll all willing and qualified vendors.
- b. Revise the Decision to allow coordination efforts with Lifeline to occur with the statewide implementer, or administrator and not the individual providers, requiring any funding for such efforts be authorized as part of the LifeLine proceeding.
- c. Affirm that the IOUs are not required to use CARE program funds to reimburse LifeLine providers for the provision of smartphones to LifeLine customers.

Additionally, with regards to "bi-directional" data sharing between the CARE/ESA and LifeLine programs, sharing Lifeline data is not possible without violating protections for confidential information. Therefore, we revise the decision language slightly, by removing the term "bi-directional" to direct each

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<sup>68</sup> *Id.* at 2.

<sup>69</sup> IOU PFM at 19.

of the IOUs to include a data sharing plan with specific California LifeLine providers who opt-in to an agreement to generate leads between LifeLine participants and CARE and ESA Program participants. This data sharing plan shall be filed as part of the mid cycle advice letter update.

### **3.18. Clarification of CARE IT Budget**

The Joint IOUs request clarification that the \$300,000 authorized for each of the IOUs' CARE IT programming efforts is authorized for 2017, not 2016 because D.16-11-022 was not issued until November 21, 2016. For Program Year 2016, D.16-11-022 approved \$300,000 for CARE IT Programming per IOU, and \$300,000 for ESA Program Regulatory Compliance totaling \$600,000 per IOU.<sup>70</sup> The IOUs assume this budget authorization was not intended for 2016, but rather for 2017. Otherwise, the IOUs would not have had a reasonable opportunity to fund activities against their respective 2016 IT budgets.

No party responded to this PFM proposal.

### **Discussion**

We grant the IOUs' request to correct the year from 2016 to 2017 for the \$300,000 approved for CARE IT Programming for each IOU.

### **3.19. Cooling Center Funding Correction**

The Joint IOUs request that the Decision be corrected to allow the IOUs to fund patrons' transportation expenses to and from cooling centers using appropriate CARE fund shifting rules.<sup>71</sup> D.16-11-022 directed the electric IOUs to include cooling center costs in their General Rate Case (GRC) Proceedings going

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<sup>70</sup> D.6-11-022 at 310.

<sup>71</sup> IOU Joint Petition for Modification at 23.

forward and authorized use of CARE administrative funds for cooling center activity, only until each utility's next GRC.<sup>72</sup> The Decision also approved Cooling Center funding for water, basic snacks, and transportation as a pilot while the cooling center budget is being funded by CARE prior to consideration in the next GRC).<sup>73</sup>

No party responded to this PFM proposal.

### **Discussion**

To ensure that ratepayer funds are being spent prudently, we modify the Decision to impose a cap not to exceed 15 percent of individual authorized cooling center utility budgets for the funding transportation of cool center patrons. Although transportation expenses are authorized and being provided, on a pilot basis, until the budgets are approved in each of the utilities' respective General Rate Case proceedings, additional cost controls are warranted here. The IOUs are permitted to shift CARE funds in the same manner as they did in the 2012-2014 budget cycle, and shall report all such shifting in the same manner as in that budget cycle.<sup>74</sup> However, for the purpose of transportation expenses, fund shifting is limited at 15 percent. All fund shifting, regardless of whether the Commission reviews it or not, must be reported in IOUs' monthly and annual reports.

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<sup>72</sup> D.16-11-022 OP 116.

<sup>73</sup> D.16-11-022 at 335.

<sup>74</sup> D.16-11-022 at 351.



### **3.20. Removing the CARE Expansion Eligibility to Deed Restricted Multifamily Properties**

The IOUs seek modification of the Decision finding that deed-restricted MF properties qualify for the CARE Expansion program, arguing that the Decision relied on precedent that does not support this finding. D.16-11-022 “clarifies that the participating multifamily properties that meet our definition of deed-restricted are hereby characterized as non-profit group living facilities eligible for the CARE Expansion program in accordance with D.94-12-049.”<sup>75</sup>

The Joint IOUs’ PFM states that the record of the proceeding does not contain evidence or any briefing to indicate this Expansion Program topic was an issue for Commission consideration,<sup>76</sup> and request that this language be removed from the Decision.

No party responded.

#### **Discussion**

We recognize that the CARE Expansion Program topic is not supported by the record and the related language should be stricken from the Decision. However, there may be value, as part of the mid-cycle update, in having the IOUs address the merits of whether the common area meters of deed-restricted properties be granted access to the CARE rate under modifications to the CARE Expansion program. It has been 25 years since the Commission reviewed the CARE Expansion program. During this time the ESA Program has implemented changes in assisting deed-restricted MF properties to seek energy savings/bill savings. It is time to see how the CARE Program can deliver bill savings to these

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<sup>75</sup> D.16-11-022 at 210.

<sup>76</sup> IOUs’ PFM at 24-25.

same customers. Therefore, we direct that this issue be addressed by the MF Working Group to assess whether the common area meters of deed-restricted properties should be granted access to the CARE rate under modifications to the CARE Expansion program with a recommendation provided in the final MF Working Group Progress Report. Upon further review and discussion, we shall consider further disposition via the mid cycle advice letter process.

### **3.21. Correction to CARE Budget Table**

The Joint IOUs request that the Decision be modified to include the title “Approved CARE IT Budgets” of the financial table on page 309 to alleviate confusion as to what program this chart references.<sup>77</sup> D.16-11-022 approved IT budgets for the IOUs, but neglected to label the related financial chart below on page 309 of the Decision.<sup>78</sup>

IOU	2016	2017	2018	2019	2020
PG&E	\$ 1,650,000	\$ 1,750,000	\$1,837,500	\$1,837,500	1,837,500
SCE	\$ 1,500,000	\$ 1,500,000	\$1,575,000	\$1,575,000	\$1,575,000
SoCalGas	\$ 993,720	\$ 993,720	\$1,043,500	\$1,043,500	\$1,043,500
SDG&E	\$ 1,375,387	\$ 1,485,444	\$1,560,000	\$1,560,000	\$1,560,000

No party responded to this proposal.

### **Discussion**

We grant the Joint IOUs’ proposal to label the untitled chart to alleviate confusion. Accordingly, we supply a title to the referenced table on page 309. The table shall be titled “Approved CARE IT Budgets.”

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<sup>77</sup> IOU Joint Petition for Modification at 25.

<sup>78</sup> D.16-11-022 at 309.

### 3.22. Directive to Create End-Use Customer Profiles

The Joint IOUs seek modification of Section 3.12.2. of the Decision. The Joint IOUs<sup>79</sup> request that the Commission modify its directive to provide end-use profiles based on remote disaggregation/non-intrusive load monitoring (NILM) to instead order providing load usage profiles that are not detailed down to the specific appliance or end use. The Joint IOUs also request modification of the Decision to allow the utilities the discretion to select the most appropriate means to comply with the directive to generate the end-use profiles, including the option to rely upon internal resources, while maintaining the primary requirements to generate the profiles by the stated deadline.<sup>80</sup>

#### Party Comments

HEA disagrees with claims that there is “a lack of third party vendors who have successfully demonstrated expertise in non-intrusive load monitoring” citing the outdated research cited by PG&E and the inherent restraints within that effort. HEA further questions whether the IOUs can achieve greater savings at lower cost than third party software options.<sup>81</sup>

The California Efficiency and Demand Management Council states that the IOUs have not demonstrated that D.16-11-022 should be modified to alter the requirement for a statewide RFP, and that allowing the IOUs to use internal resources to meet the end-use profile requirements would result in patchwork, redundant efforts across the four utilities and inferior solutions. The Council believes allowing this work to be completed in-house runs counter to the energy

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<sup>79</sup> The IOUs’ PFM at 24-25.

<sup>80</sup> *Ibid.* at 25-27.

<sup>81</sup> HEA Comments on PFM at 1-5.

efficiency rolling portfolio proceeding, R.13-11-005, where the Commission has directed the IOUs to procure energy efficiency through third party bids and to shift 60 percent of the energy efficiency portfolio to this procurement model. The Council does agree that the disaggregation requirements in D.16-11-022 should not be interpreted as disaggregation down to the appliance level.<sup>82</sup>

ORA argues that allowing the IOUs to develop end-use profiles internally would undermine the Commission's intent to have uniform AMI analytics, reducing the operational and cost efficiencies that would be achieved through a single solicitation. ORA also claims there is no evidence that the IOUs can perform the required AMI analytics either more effectively or less-expensively than third party vendors. Lastly, ORA states that the IOUs' proposal to use their in-house resources instead of putting the activity out to bid is counter to the policy direction promulgated by D.16-08-019 which set new requirements that a minimum of 60 percent of the utilities' EE program budgets be dedicated to programs substantially designed and delivered by third parties.<sup>83</sup>

NRDC, CHPC, and NCLC state that while the IOUs argue that the vendor ecosystem for NILM and disaggregation are nascent, analytics vendors have been developing and deploying innovative solutions in this space and working with California utilities to deploy and improve these tools. A statewide RFP will present an opportunity to see the level and type of services available in the marketplace. Allowing the utilities to develop analytics solutions with internal

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<sup>82</sup> The California Efficiency and Demand Management Council Comments on PFM at 2-6.

<sup>83</sup> ORA Comments on PFM at 1-4.

resources exposes the ESA program to inconsistent, duplicative, and non-uniform solutions across IOU territories instead of a common approach.<sup>84</sup>

In reply, Joint IOUs reiterate that there is uncertainty that third parties can produce effective, non-intrusive disaggregated data usage. Therefore, instead of mandating IOUs to solicit a third party vendor for this effort, the IOUs seek the option of either using their own internal resources or a qualified vendor, whichever is more cost effective, to produce the requested usage profiles at a more aggregated level than end uses.<sup>85</sup>

### **Discussion**

We conclude that the directive for statewide RFP should be retained for the reasons noted above by opposing parties. However, some changes to the discussion, COLs and OPs in regards to this directive have been updated. Specifically, we direct that the due dates for the issuance of the RFP be March 31, 2018 and the integration into the DRAM be revised to occur in the next available DRAM bid process which is anticipated in 2019. Furthermore, we shall specify that the disaggregation requested for the ESA Program be limited to end-use and NOT down to the appliance level.

### **3.23. RFP for 2019 Low-Income Needs Assessment (LINA) Study**

The Joint IOUs request deletion of three topics from the 2019 LINA Study specified in the Decision, Section 3.12.2., and to allow Energy Division Staff to lead development of topics and objectives for the study based on knowledge of prior work, high priority program needs, and input from the LIOB and

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<sup>84</sup> NRDC/CHPC/NCLC Comments on PFM at 1-2.

<sup>85</sup> Joint IOUs' Reply to Comments at 3.

stakeholders. The Joint IOUs argue that the prescribed study objectives are not aligned with the expectations of the study and/or are duplicative of work that has been completed.<sup>86</sup> D.16-11-022 authorized funding for a 2019 LINA, and directed the following study areas to be included as part of the scope:

- a. Energy hardship and burdens on low income customers in areas that have less reliable energy performance as indicated by the System Average Interruption Duration Index/ System Average Interruption Frequency Index (SADIE/SAFIE) at a local level, and other local energy outage and reliability statistics, and also recommend whether appropriate adjustments in CARE or ESA would address those needs.<sup>87</sup>
- b. Energy burden and hardships for California customers who don't have access to electricity or natural gas and rely on wood, propane, diesel, or other fuels. This work should examine CSD programs to support alternative fuel customers who do not depend on electricity or natural gas, and identify options for CARE/ESA to serve such customers who are not currently customers of IOUs due to their lack of access to facilities that provide electricity or natural gas services.<sup>88</sup>
- c. Undocumented residents in SoCalGas' service areas.<sup>89</sup>

### **Party Comments**

CforAT supports the inclusion of the requirement to study the energy burden and hardship levels for California customers who do not have access to utility services, in particular those who do not have access to natural gas, which forces them to rely on less efficient (and generally more polluting) sources of heat

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<sup>86</sup> The IOUs' PFM at 28-30.

<sup>87</sup> D.16-11-022 at 233.

<sup>88</sup> D.16-11-022 at 234.

<sup>89</sup> D.16-11-022 at 226.

for their homes. To the extent that the consumers in these areas may face a greater energy burden based on limitations of utility service, this issue is appropriate for inclusion in the LINA.<sup>90</sup>

CforAT also supports retaining the study of undocumented residents of all of the IOUs' territory, not just undocumented residents served by SoCalGas in light of changes in the national political environment that complicate efforts in California to provide services to residents who do not have documentation. CforAT offers no position on the inclusion of burdens on low income customers in areas that have less reliable energy performance.<sup>91</sup>

### **Discussion**

In compliance with statutory requirements,<sup>92</sup> the 2019 LINA study shall prioritize assessment of CARE and ESA Program implementation and effectiveness. We also see value in understanding whether and how our programs may be able to specifically address and mitigate hardship in areas with less reliable energy performance and alternative fuel customers without access to electricity and/or natural gas. Therefore, we decline to eliminate these topics from the study. Additionally, with respect studying undocumented residents in SoCalGas' service areas, we concur with CforAT and retain consideration of the study of undocumented residents within the LINA but expand this topic statewide to all four IOU service territories instead of only in SoCalGas' territory.

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<sup>90</sup> CforAT Comments at 5-6.

<sup>91</sup> CforAT Comments at 5-6.

<sup>92</sup> Public Utilities Code Section 382(d).

### **3.24. Clarification of Enabling Mobile Versioning vs. Requirement to Develop Applications**

The Joint IOUs seek clarification as to the direction to develop mobile versions of their Internet websites, including My Energy/My Account, to allow for ESA and CARE program enrollment, post enrollment verification, and recertification on mobile phones in lieu of creating mobile applications (apps), and clarify that the deadline for developing such mobile versions (or mobile apps, if still required) is December 31, 2017. The IOUs specifically request that the decision confirm the directive to utilize mobile versioning of IOU websites in lieu of creating mobile apps, and confirm a December 31, 2017 deadline.

They state that D.16-11-022 is inconsistent and conflates mobile versioning and the development of apps.<sup>93</sup> As set forth in COL 127, COL 131, COL 152, OP 82, OP 83 and OP 100, the IOUs are to develop mobile apps that allow for secure CARE recertification, plug-in electric vehicles (PEVs), high usage alerts, and viewing of household hourly interval energy usage for energy management purposes by either December 31, 2017 or June 1, 2017. COL 128, COL 153 and OP 101 direct the IOUs to consult with Lifeline Providers in the development of such smartphone apps.

No party responded to this proposal.

#### **Discussion**

We modify the Decision to direct the IOUs to update their My Account/My Energy websites for mobile versioning to, at a minimum, allow a customer complete a secure CARE recertification, PEV, high usage alerts, and for the electric IOUs, allow viewing of household hourly interval energy usage

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<sup>93</sup> D.16-11-022 COL 127, COL 152, OP 82, OP 100.



for energy management purposes by December 31, 2017. In the Decision, we find that the Commission erred in retaining references to the development of apps.

### **3.25. Clarification of Marketing and Outreach Deadline for Filing Plans**

In their PFM, the Joint IOUs request clarification of the deadline to submit detailed outlines of M&O plans with a conforming advice letter, and to file detailed M&O plans 60 days after completion of an M&O workshop which was scheduled for May 23, 2017.<sup>94</sup> The Decision directs the utilities to provide detailed M&O plans, including further clarification of their budget requests. The IOUs were required to host a workshop to solicit stakeholder feedback and input in developing their M&O plans. At the workshop, the IOUs were to provide detailed presentations of preliminary CARE and ESA program M&O plans.<sup>95</sup> The IOUs were to submit revised M&O plans within 60 days following the workshop.<sup>96</sup>

#### **Party Comments**

Greenlining was the only party to comment on this item. Greenlining posits that the Commission should provide further guidance on the IOUs M&O plans beyond calendaring (including activities related to Aliso Canyon gas leak, CARE Restructuring, Assembly Bill 793, and Statewide Marketing, Education and Outreach (ME&O)).<sup>97</sup>

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<sup>94</sup> IOUs PFM at 36.

<sup>95</sup> D.16-11-022 at 162-163.

<sup>96</sup> *Id.* at 163.

<sup>97</sup> Greenlining response to PFM at 4.

**Discussion**

This request is moot. The IOUs' M&O workshop occurred May 23, 2017. Parties had advance opportunity to provide input into the presentations via a Webinar hosted by the IOUs on May 10, 2017. The IOUs provided parties with the opportunity to submit comments on their M&O presentations and designed their presentations in consultation with CforAT and Greenlining. The IOUs were scheduled to submit their M&O plans on July 23, 2017 in accordance with Commission directives. Thus, no revision to the OPs or COLs is necessary.

**3.26. RFPs for Remote Load Monitoring and End-Use Profile Development/DRAM Integration**

The Joint IOUs<sup>98</sup> request that the Commission modify the directive in Section 4.4.3 of the Decision to provide end-use profiles based on remote disaggregation/NILM to share with bidders in the DRAM. D.16-11-022 directs the electric IOUs, by December 31, 2017, to jointly conduct a statewide RFP to procure a remote disaggregation/NILM vendor that will provide the IOUs the ability to generate electric (and gas, if available) end-use profiles for their CARE and ESA-eligible population, as well as another third party RFP for end-use profile development.<sup>99</sup> Additionally, the Decision includes specific directives that the RFP address synchronizing tribal meter mapping issues.

The Joint IOUs ask for a modified order providing for load usage profiles that are not detailed down to the specific appliance or end use. They also seek the discretion to select the most appropriate means to comply with the directive

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<sup>98</sup> The IOUs' PFM at 24-25.

<sup>99</sup> D.16-11-022 at 316-317, COL 145-147, OP 95-96.

to generate the end-use profiles, including the option to rely upon internal resources, while maintaining the primary requirements to generate the profiles by the stated deadline.<sup>100</sup>

### Party Comments

HEA disagrees with the Joint IOUs' claims that there is "a lack of third party vendors who have successfully demonstrated expertise in non-intrusive load monitoring" citing the outdated research cited by PG&E and the inherent restraints within that effort. HEA further questions whether the IOUs can achieve greater savings at lower cost than third-party software options.<sup>101</sup>

The California Efficiency and Demand Management Council states that the IOUs have not demonstrated that D.16-11-022 should be modified to alter the requirement for a statewide RFP. Allowing the IOUs to use internal resources to meet the end-use profile requirements would result in a patchwork of approaches, redundant efforts across the four utilities and inferior solutions than what is available via a third party solicitation. The Council believes allowing this work to be completed in-house runs counter to the energy efficiency rolling portfolio proceeding, R.13-11-005 where the Commission has directed the IOUs to procure energy efficiency from the implementation firms through third-party bids and to shift 60 percent of the energy efficiency portfolio to this procurement model. The Council does agree with the IOUs that the disaggregation requirements outlined in D.16-11-022 should not be interpreted as meaning disaggregation down to the appliance level.<sup>102</sup>

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<sup>100</sup> *Ibid.* at 25-27.

<sup>101</sup> HEA Comments on PFM at 1-5.

<sup>102</sup> The California Efficiency and Demand Management Council Comments on PFM at 2-6.

ORA states that allowing the IOUs to develop end-use profiles internally would undermine the Commission's intent to have uniform AMI analytics, reducing the operational and cost efficiencies that would be achieved from performing a single solicitation. Second, the IOUs do not provide evidence that they can perform the required AMI analytics either more effectively or less-expensively than third-party vendors. Lastly, ORA states that the IOUs' proposal to use their in-house resources instead of putting the activity out to bid is counter to the policy direction promulgated by the Commission's in its EE decision, D.16-08-019, where the Commission set new requirements that a minimum of 60 percent of the utilities' EE program budgets must be dedicated to programs substantially designed and delivered by third parties.<sup>103</sup>

NRDC, CHPC, and NCLC state that while the IOUs argue that the vendor ecosystem for NILM and disaggregation are nascent, analytics vendors have been developing and deploying innovative solutions in this space and working with California utilities to deploy and improve these tools. A statewide RFP will present an opportunity to see the level and type of services available in the marketplace. Allowing the utilities to develop analytics solutions with internal resources exposes the ESA program to inconsistent, duplicative, and non-uniform solutions across IOU territories instead of a common approach.<sup>104</sup>

In their reply, the Joint IOUs reiterate that there is uncertainty that third parties have the ability to produce effective, non-intrusive disaggregated data usage. Therefore, instead of mandating that IOUs solicit a third-party vendor for this effort, the IOUs should have the option of either using their own internal

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<sup>103</sup> ORA Comments on PFM at 1-4.

<sup>104</sup> NRDC/CHPC/NCLC Comments on PFM at 1-2.

resources or a qualified vendor, whichever is more cost effective, to produce the requested usage profiles at a more aggregated level than end uses.<sup>105</sup>

### **Discussion**

We shall retain the directive for a statewide RFP. However, we conclude that some changes to the discussion, COLs and OPs in regards to this directive need updating. Specifically, the due dates for the issuance of the RFP should be March 31, 2018 and the integration into the DRAM should occur in the next available DRAM bid process which is anticipated in 2019. Furthermore, we specify that the disaggregation requested for the ESA Program be limited to end-use and not down to the appliance level.

### **3.27. Monthly and Annual Reporting in Lieu of Creating New Balancing Accounts**

The Joint IOUs request to remove all directives in the Decision to create new balancing accounts or sub-accounts to track expenses, and instead request to track and report these new expenses in current monthly and annual reports for the CARE/ESA Programs. D.16-11-022 directs creation of new balancing and sub-accounts to track expenses related to funding of several new initiatives:

- a. Hot water measures currently offered by the ESA Program;<sup>106</sup>
- b. Households treated under a joint funding mechanism with CSD, CEC, and/or the California DWR;<sup>107</sup>
- c. Leveraging with the LIWP MF effort;<sup>108</sup>

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<sup>105</sup> Joint IOUs' Reply to Comments at 3.

<sup>106</sup> D.16-11-022 OP 31.

<sup>107</sup> D.16-11-022 OP 32, COL 56.

<sup>108</sup> D.16-11-022 OP 47, COL 78.

- d. Measures offered by the ESA program and approved for multi-family households;<sup>109</sup> and
- e. Funding of the IOUs' energy education programs.<sup>110</sup>

The Joint IOUs argue that the Commission has already approved balancing accounts to track program expenses for the CARE and ESA Programs, and creating additional accounts would be duplicative.<sup>111</sup>

No party responded to this request.

### **Discussion**

We approve the Joint IOUs' request to utilize existing compliance reports to track these costs instead of creating new balancing or sub accounts. This approach is reasonable since the Commission already has approved balancing accounts to track CARE and ESA Program expenses. Creating additional accounts for these initiatives would be duplicative.

## **4. Disposition of the Joint Parties' PFM**

We dispose of the PFM request of the Joint Parties (CHPC, NRDC, and NCLC), as follows:

### **4.1. Timeline for Implementation Plans for Multifamily Common Area Activities**

In their PFM,<sup>112</sup> CHPC, NRDC, and NCLC seek to establish an implementation and reporting timeline for the new ESA Rent-restricted MF program requirements. Specifically, they request that the IOUs submit their

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<sup>109</sup> D.16-11-022 OP 48, COL 79.

<sup>110</sup> D.16-11-022 OP 99.

<sup>111</sup> IOU Joint Petition for Modification at 38.

<sup>112</sup> CHPC, NRDC, and NCLC's PFM at 2-3.

proposed ESA MF program designs via a supplemental Advice Letter filing by no later than June 30, 2018. In this regard, D.16-11-022 directed many new initiatives regarding MF common area activities including:

- a. Allocates \$80M<sup>113</sup> in unspent funds towards common area measure treatment,<sup>114</sup> with the budget proportionately split amongst the utilities;
- b. Requires properties eligible for common area funding to meet the following specifications:<sup>115</sup> must meet definition under Pub. Util. Code § 2852(a)(A), must be financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, and must also house at least 65 percent of tenants with incomes at or below 200 percent of the federal poverty guidelines (FPG);<sup>116</sup>
- c. Provides fully funded common area measures for Deed/Rent restricted buildings consistent with whole building audit recommendations;<sup>117</sup>
- d. Allows projects participating in other IOU programs and the ESA Program to use ASHRAE Level II audit and building-level audits conducted through other programs or independently, as long as they meet or exceed the standards developed for the ESA Program and are not more than three to five years old;<sup>118</sup>
- e. Imposes a 10 percent cap of ESA Program funds for administrative activities and a ceiling of 20 percent for direct implementation non-incentive costs;<sup>119</sup>

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<sup>113</sup> D.16-11-022 at 207, 397, OP 43.

<sup>114</sup> *Ibid.* at 6, 187, 191-198, 207, 210, 350, FOF 48, 50, 68, COL 69, 71, 84, 87, 88, OP 43.

<sup>115</sup> *Ibid.* at 209.

<sup>116</sup> *Ibid.* at 193, 195, 196, 209 COL 87, OP 43.

<sup>117</sup> *Ibid.* at 194.

<sup>118</sup> *Ibid.* at 207.

<sup>119</sup> *Ibid.* at 209.

- f. Requires a savings calculation/reporting approach be aligned with SDG&E and SoCalGas' HOPPs;<sup>120</sup>
- g. Requires these properties be enrolled for benchmarking via the Environmental Protection Agency's Portfolio Manager Tool;<sup>121</sup>
- h. Directs SCE and SoCalGas to create technical assistance programs using unspent funds;<sup>122</sup>
- i. Directs all other privately owned buildings to use SPOC for the treatment of common area measures;<sup>123</sup> and
- j. Maintains the 80% ESA eligible tenant MF household eligibility rule for in-unit treatment.<sup>124</sup>

### Party Comments

In response, the Joint IOUs claim that the filing of a supplemental Tier 2 Advice Letter to include the proposal by the Joint Parties is unnecessary as they are currently working on the design and implementation of MF deed restricted properties for deployment of common area measures including central systems, audits, and commissioning, and the IOUs anticipate implementation by approximately third quarter 2017.<sup>125</sup> TURN and Greenlining<sup>126</sup> share CHPC, NRDC, and NCLC's concern with the lack of an explicit implementation deadline for the new ESA Rent-Restricted MF Program required by D.16-11-022, and similarly, the absence of an explicit process for public input and Commission

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<sup>120</sup> *Ibid.* at 209.

<sup>121</sup> *Ibid.* at 208-209.

<sup>122</sup> *Ibid.* at 206, COL 83, OP 53.

<sup>123</sup> *Ibid.* at 192, 196, COL 88.

<sup>124</sup> *Ibid.* at 192.

<sup>125</sup> IOUs' Responses on the NRDC/CHPC/NCLC PFM at 2-3.

<sup>126</sup> TURN & Greenlining Responses on the NRDC/CHPC/NCLC PFM at 6.



review of the design of the new program. TURN and Greenlining support Joint Parties' requested relief and request to direct the IOUs to (1) confer with the MF Working Group in designing the new program and subsequently, and (2) submit their proposed program plans through a compliance Advice Letter 90 days after establishment of the working group.<sup>127</sup>

CHPC, NRDC, and NCLC<sup>128</sup> claim that the IOUs have a history of being obstructive in rolling out ESA Program offerings in the MF sector and that imposing a deadline for filing an Advice Letter will ensure that new program design development is not unduly delayed, while also providing needed transparency for non-IOU parties interested in the launch of successful MF programs. CHPC, NRDC, and NCLC support the deadline for the advice letter proposed by TURN and Greenlining.

### **Discussion**

We modify the Decision pursuant to the Joint Parties' proposal, as follows. The IOUs shall file a Tier 2 Advice Letter outlining their respective implementation plans for their MF common area activities as detailed in D.16-11-022, by March 1, 2018.

Prior to submittal of the Advice Letter, the IOUs shall submit their draft implementation plans to the MF working group by January 15, 2018. The MF working group shall confer and the MF working group facilitator shall submit recommendations to the MF working group (which includes IOU members) identifying areas of consensus among stakeholders, and identifying any areas discussed where there is not consensus by January 30, 2018. Also by January 30,

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<sup>127</sup> *Ibid.* at 6.

<sup>128</sup> CHPC/NRDC/NCLC's Reply at 4-5.

2018, individual stakeholders may submit separate recommendations to the MF working group addressing issues where there is not consensus. After making appropriate modifications, the IOUs shall submit the Advice Letter as described above.

The Implementation plans should be modeled, as appropriate, on the Implementation Plan Template located in Appendix 4 of D.15-10-028 and shall include, at a minimum, the program elements outlined in pages 1-3 of the Implementation Template.<sup>129</sup> These measures are warranted since even though they have had many months to implement the low income MF common area activities detailed in D.16-11-022, the IOUs have not yet developed or published plans to identify the process to meet these directives.

In addition, we clarify that implementation of the common area activities detailed in D.16-11-022 shall include use of SPOC for buildings that participate in common area retrofits to offer and coordinate provision of in-unit measures (using providers approved by the IOUs for both common areas and in unit).

#### **4.2. Multifamily Working Group Composition and Tasks**

In their PFM, CHPC, NRDC, and NCLC request a new ordering paragraph that appoints a lead convener for the MF Working group established in D.16-11-022, Section 3.9. This working group was to evaluate the effect of the 65 percent ESA eligible tenant MF common area measure rule on ESA common area measure treatment,<sup>130</sup> make recommendations for adjustment if this rule contributes to low participation levels and/or significant unspent fund

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<sup>129</sup> <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M155/K511/155511942.pdf>

<sup>130</sup> D.16-11-022 at 193.

balances,<sup>131</sup> such as 10 percent or more underspending of the funds anticipated per program year for this purpose,<sup>132</sup> and to evaluate data generated from the “data beyond SPOC” effort.<sup>133</sup> However, there was no corresponding OP determining who should lead such an effort.

D.16-11-022 envisions that the recommendations provided by the MF Working Group will provide additional strategies for future Commission consideration.<sup>134</sup> The discussion of the Decision directs that the MF working group should meet at least quarterly beginning in 1st quarter 2017 and in consultation with Energy Division, provide regular updates to the LIOB and annual reports to the Commission on progress of deploying the ESA Program to MF buildings, and provide recommendations for program adjustments to accomplish the objectives of the ESA statute.

The PFM also requests new tasks for the group including, but not be limited to, the following:<sup>135</sup>

- a. Proposing rent restricted MF program designs.
- b. Leveraging funds between the LIWP and ESA programs; where the Commission would direct the IOUs to work with CSD to determine a per-unit dollar amount that could then be spent on LIWP eligible projects (applied to dwelling unit and common area measures). For projects in which ESA eligible dwelling unit measure opportunities are limited, or the installed costs of those measures is less than the maximum allowable ESA dollar per unit

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<sup>131</sup> *Ibid.* at 194.

<sup>132</sup> *Ibid.*

<sup>133</sup> *Ibid.* at 197.

<sup>134</sup> *Ibid.*

<sup>135</sup> CHPC, NRDC, and NCLC’s PFM at 3-4.

- cap, the incremental ESA funds could be applied to LIWP eligible common area and dwelling unit measures.
- c. Modifying MF OBF terms to clarify that master-metered participants eligible for the ESAP MF Program also have the option to use OBF for in unit energy efficiency measures.
  - d. Using SPOCs to reach the MF sector, including integration with OBF.

### **Party Comments**

The Joint IOUs<sup>136</sup> believe that the MF Working Group will be “convened soon” and anticipate discussing ESA MF program plans with the working group members, as directed in D.16-11-022, in time for MF plans to be part of the Mid-Cycle update process. At that time, they argue, all parties will be in a better position to consider any proposed expansion of MF plans and efforts in the ESA Program.

TURN and Greenlining recommend that the Commission ensure that the scope of work and associated deadlines are clear for each working group, so that parties will understand what each group is working on and how and when their recommendations will be considered by the Commission.<sup>137</sup> To the extent not made clear by D.16-11-022, they argue that all working groups should be required to submit progress reports at set dates and submit their required deliverables to the Service List for public comment, as appropriate given the nature of the work product.

CHPC, NRDC, and NCLC, in reply, request that a date certain be required for the Working Group to begin and to make clear that stakeholders can bring to

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<sup>136</sup> IOUs’ Responses on the NRDC/CHPC/NCLC PFM at 4-5.

<sup>137</sup> TURN and Greenlining Responses on the NRDC/CHPC/NCLC PFM at 8.

the table for discussion all issues relating to MF program design and delivery and support TURN and Greenlining's recommendation to adopt the approach used in A. 11-05-017 to form the MF working group.<sup>138</sup>

### **Discussion**

We agree with TURN/Greenlining that the MF working group deliverables and deadlines need to be made clear and formalized. We have already established the MF working group to ensure successful implementation of the MF initiatives established in this Decision. The MF working group includes representatives from the IOUs, Energy Division, MF building owners, MF energy efficiency program implementers and technical experts, environmental and social justice oriented advocates, and a diverse range of advocates with expertise in the multi-family sector. The working group will be meeting at least quarterly and may meet more frequently through an Ad Hoc meeting process. The IOUs have since retained a consultant to facilitate the MF Working group. The consultant has developed a draft project plan that outlines meeting dates, goals, structure and membership.

In this regard, we direct that the D.16-11-022 be modified with the following clarifications.

As described above, we direct the IOUs to review and discuss their MF implementation plans with the working group, to seek to establish consensus on key issues, prior to submitting their plans in a Tier 2 advice letter filing on March 1, 2018.

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<sup>138</sup> CHPC/NRDC/NCLC's Reply at 6.

By December 31, 2018, the MF Working Group shall develop and submit an initial progress report of its findings and recommendation(s) on sustaining successes and overcoming challenges of the ESA MF implementation effort and coordination directives of the ESA MF efforts with mainstream EE MF programs/ CSD LIWP program. The report shall be served to the proceeding service list and should also identify and propose metrics to determine effectiveness of the ESA MF effort in treating the low income MF EE sector. If no agreed upon recommendation(s) is/are reached, the working group shall submit a progress report nonetheless of its activities since inception and a detailed description of the status of its efforts with justification showing good cause for any additional and estimated time it may require.

By December 31, 2019, the MF Working Group shall submit a final report to the proceeding service list outlining the working group's activities, and findings and recommendation(s) on sustaining successes and overcoming challenges of the ESA MF implementation effort. The report should propose final metrics to determine effectiveness of the ESA MF effort in treating the low income MF energy efficiency sector. If no agreed upon recommendations are reached, the Working Group shall submit a final report nonetheless of its activities since inception and a detailed description of the status of its efforts with justification showing good cause for any additional and estimated time it may require.

Lastly, we decline to adopt NRDC/CHPC/NCLC's recommendations for assigning the MF working group with additional tasks such as proposing rent restricted MF program designs, determining leveraging funding levels between the LIWP and ESA programs, or with proposals modifying the IOUs' MF OBF

terms. The current tasks detailed in D.16-11-022 are quite ambitious as is, and our intent is to keep this process focused and manageable.

#### **4.3. Implementing a Per Unit ESA Budget for LIWP Projects and Clarifying the Directive to Hold a Workshop**

In their PFM, CHPC, NRDC, and NCLC propose that the Commission modify the Decision and direct the IOUs to work with the MF working group and CSD to determine a per-unit dollar amount that could then be spent on LIWP eligible projects which can be applied to both dwelling unit and common area measures.

D.16-11-022 directed the IOUs to use ESA funds for the installation of ESA approved measures in LIWP MF properties in order to preserve CSD's LIWP funding for use to install central systems and common area measures not provided by the ESA Program.<sup>139</sup> The measures funded must be approved for MF households and follow the IOUs' ESA Program costs for both labor and the measures. D.16-11-022 also directed the IOUs to host a workshop with CSD to create better leverage and data sharing opportunities with LIWP.<sup>140</sup> The Decision did not allocate a specific budget for this effort, but the Joint IOUs have submitted budget requests via their conforming Advice letters for these qualified measures in consultation with CSD.

For projects in which ESA eligible dwelling unit measure opportunities are limited, or the installed costs of those measures is less than the maximum allowable ESA dollar per unit cap, the Joint Parties argue that incremental ESA

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<sup>139</sup> D.16-11-022 at 201, OP 47, OP 48.

<sup>140</sup> *Ibid.* at 398.

funds could be applied to LIWP eligible common area and dwelling unit measures.<sup>141</sup>

### Party Comments

The Joint IOUs state that:

- a. The existing CSD leveraging approach provides an ideal short-term solution for leveraging ESA Program funding in identified LIWP MF projects;
- b. Inclusion of a requirement to establish a per-unit dollar amount is counter to the Commission's intent, but would also raise customer confidentiality concerns because it could disclose personally identifiable information (PII) to the MF working group;
- c. The approach may have unforeseen costs and that the current approach takes into consideration the need to manage budget expenditures for the MF effort; and
- d. These leveraging costs have already been determined in consultation with CSD.

Lastly, the Joint IOUs oppose CHPC, NRDC, and NCLC's request for the IOUs to host a public workshop (or expand the scope of the required public workshop) in conjunction with CSD and the multi-family working group to further develop mechanisms for leveraging funds.<sup>142</sup>

TURN and Greenlining take no position other than to agree with Joint Parties that the issue of how best to use ESA Program funding to "leverage" the efforts of CSD's Low Income Weatherization Program, specifically the program's MF sector activities, seems ripe for a workshop.<sup>143</sup> CHPC, NRDC, and NCLC

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<sup>141</sup> CHPC, NRDC, and NCLC's PFM at 5-6.

<sup>142</sup> IOUs' Responses on the NRDC/CHPC/NCLC PFM at 6-7.

<sup>143</sup> TURN and Greenlining Responses on the NRDC/CHPC/NCLC PFM at 2-3.



agree with TURN and Greenlining that the CSD/IOU workshop should be jointly hosted by CSD and Commission staff, with input on the agenda from the MF Working Group (which would include the Utilities). CHPC, NRDC, and NCLC disagree with the IOUs' concern that customer data privacy is a basis for rejecting the need for a public workshop or conferring with the MF working group and reiterate their original request.<sup>144</sup>

### **Discussion**

We decline to adopt the request for allocating a per-unit ESA funding amount for low income multi-family building treatment because it is not supported by the record. The effort directed in the Decision sought to augment CSD's LIWP funding to focus those cap-and-trade dollars on the replacement of central systems. This co-funding design was not intended to fund common area central systems with ESA program dollars; that effort had a separate \$80M funding authorization. Furthermore, the current effort (co-funding ESA measures in CSD LIWP properties) has only just begun and it is premature to change course now especially without evaluation results to determine the success or outcomes of the effort. Therefore we deny this request without prejudice.

In regards to the request for the IOUs to host an additional or expanded scope public workshop in conjunction with CSD and the MF working group to further develop mechanisms for leveraging funds, we conclude that the workshop that the IOUs and CSD were directed to cohost will be sufficient and will report on the details and effectiveness of the leveraging effort directed in the

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<sup>144</sup> CHPC/NRDC/NCLC's Reply at 6-7.

Decision. Therefore we retain the directive for the IOUs to host a workshop with CSD. For efficiency, this workshop shall be incorporated in the public meetings directed in D.12-08-044, OP 5 directing the IOUs' to review and discuss the prior program years' CARE and ESA Program activities.

#### **4.4. Extending On-Bill Financing to Master Metered Properties for In-Unit Measures**

In their PFM, CHPC, NRDC, and NCLC requests that the Commission clarify that master-metered participants eligible for the ESAP MF Program also have the option to use OBF for in-unit energy efficiency measures. In this regard, D.16-11-022, Section 3.9.3, directed changes to the IOUs' OBF programs to increase the financing limits to \$250,000 with the terms expanded to ten years for eligible MF properties.<sup>145</sup> Eligible MF properties include those that meet the following specifications: properties must meet definition under Pub. Util. Code § 2852(a)(A), must be financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants, and must also house at least 65 percent of tenants with incomes at or below 200 percent FPG. CHPC, NRDC, and NCLC also ask that the Commission require the IOUs to:

- a. Present their proposed OBF program terms before the MF working group;
- b. Track MF OBF participation in their Annual Reports;
- c. Present on the status of their SPOCs and proposals for integrating OBF into their SPOCs through the MF working group; and

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<sup>145</sup> D.16-11-022 at 205.

d. Report on SPOCs in their Annual Reports.<sup>146</sup>

### **Party Comments**

The Joint IOUs state that since ESA eligible customers receive in-unit measures at no cost, there is no need to finance in-unit for master meter properties.<sup>147</sup> The Decision already requires that the IOUs report their ESA Program dedicated SPOC funding and programmatic efforts within their Annual Reports, therefore, the request to require the IOUs to track and report MF OBF participation is duplicative and should be denied.

CHPC, NRDC, and NCLC claim that the IOUs are incorrect and the Decision does not specifically require the IOUs to track OBF participation in their Annual Reports.<sup>148</sup> The Joint Parties also clarify that they request that the IOUs be required to present on their SPOC approaches within the MF Working Group.

### **Discussion**

We find that it is not necessary to expand the deliverables of the MF working group to include approving IOU OBF tariffs, SPOC approaches and/or resource allocations. The IOUs are already required to report on the OBF participation of MF properties annually to the Commission. The SPOC is already within the scope of the MF working group activities and annual reports. In regards to expanding the OBF terms to master meter properties for in-unit measures, this market is currently served by the Master-Metered MF Finance Pilot offered by the California Alternative Energy and Advanced Transportation Financing Authority, and will be addressed through that forum.

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<sup>146</sup> CHPC, NRDC, and NCLC's PFM at 6-7.

<sup>147</sup> IOUs' Responses on the NRDC/CHPC/NCLC PFM at 8-9.

<sup>148</sup> CHPC/NRDC/NCLC's Reply at 8-9.

#### 4.5. Composition of the Mid-Cycle Working Group

NRDC, CHPC, and NCLC's PFM request that the Commission ensure that the mid-cycle working group process is open and transparent by conducting an open application process for new members and/or otherwise regularly present opportunities for parties from this proceeding to participate prior to reviewing a "draft proposal" on the record. They propose that the working groups include the following list of stakeholder categories:

- a. IOU representatives;
- b. Energy Division staff;
- c. MF building owners;
- d. MF energy efficiency program implementers and technical experts;
- e. Environmental and social justice oriented advocates; and
- f. Other advocates with expertise in this sector.

The Joint Parties also request that notes, scopes of work, and important reports or decisions from each working group be publicly available or noticed to the full service list.<sup>149</sup>

D.16-11-022 directed the IOUs to reconvene the mid-cycle Working Group with the size and make-up of the mid cycle working group to be determined in consultation with the Energy Division.<sup>150</sup> PG&E, SCE, SDG&E, and SoCalGas were jointly charged with soliciting and re-establishing the ESA Program mid-cycle Working Group.<sup>151</sup>

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<sup>149</sup> NRDC CHPC NCLC Joint Petition for Modification at 7.

<sup>150</sup> D.16-11-022 OP 66, COL 107.

<sup>151</sup> D.16-11-022 OP 66.

**Party Comments**

The Joint IOUs agree with NRDC, CHPC, and NCLC that there is an opportunity to re-open membership to the Mid-Cycle (and Cost Effectiveness Working Groups,) as these two working groups were initiated in 2013 by D.12-08-044, and could benefit from a refreshed member list. However, they state that if membership is re-opened, membership criteria and a process for petitioning the Commission for membership should be created so that members are interested and prepared to work, and that membership is limited to a manageable size so as not to impede progress towards the Commission's goals.<sup>152</sup>

The Joint IOUs recommend that the Commission deny the request for notes, scopes of work, and important reports or decisions from each working group be publicly available or noticed to the full service list request. The work scopes were defined in D.16-11-022, and both the Mid-Cycle and Cost Effectiveness Working Groups have already filed their timelines and scopes of work detailing implementation plans to the service list in compliance with D.16-11-022. Draft and final recommendations of the Working Groups are already required to be submitted publicly to the service list. The Joint IOUs further indicate that filing additional notes of all working meetings is costly and burdensome, and should not be required, especially since all recommendations are filed publicly.<sup>153</sup>

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<sup>152</sup> IOU Response to NRDC CHPC NCLC Joint Petition for Modification at 5.

<sup>153</sup> IOU Response to NRDC CHPC NCLC Joint Petition for Modification at 9-10.

**Discussion**

After D.16-11-022 was issued, the mid-cycle working group was reconvened resoliciting representation from various entities as directed in D.12-08-044. D.12-08-044 states that “Unless we have specified otherwise in other parts of this decision, the size and makeup of a particular working group will be determined by Energy Division with the direction of the ALJ to yield a fair, informed, balanced and productive review and exploration of the issues that the working group must review.”<sup>154</sup>

We shall adopt a petition process for any additional parties that are interested in joining the working group. This approach will ensure that the make-up of the working group remains informed, balanced and productive in its review and exploration issues as originally intended in D.12-08-044. Therefore we adopt the process set forth below for reopening membership for existing working groups:

Process for Membership Consideration:

Any party interested in participating in any of the working groups must first review Decision 16-11-022. By January 30, 2018, any party interested in joining a working group must electronically submit an Interest Packet which includes:

- a. Resume or curriculum vitae demonstrating his/her significant industry knowledge, subject matter expertise, and experience in the low income community, the low income programs and in the working group subject matter; and
- b. Letter of interest, not to exceed two pages, that demonstrates (i) his/her ability and willingness to meaningfully participate and provide thoughtful and constructive input throughout the working group process, (ii) how he/she meets the qualifications

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<sup>154</sup> D.16-11-022 OP 5.

for the working group, and (iii) how specifically, and perhaps uniquely, he/she hope to contribute to the particular working group.

As part of the Interest Packet, each party interested in joining a working group may also attach letters of support from other parties, not to exceed one page each, as to (i) how the interested participant meets the qualifications of the particular working group; and (ii) how specifically, and perhaps uniquely, the interested participant could contribute to the particular working group.

All Interest Packets must be electronically submitted to the currently assigned Administrative Law Judge-and and current lead staff of the ESA and CARE programs of the Commission's Energy Division who will distribute to current working group participants for review and final consideration.

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With respect to NRDC, CHPC, and NCLC's request to include MF building owners, MF energy efficiency program implementers and technical experts, we note that the California Housing Partnership Corporation is currently a member of this working group representing MF building owners. Additionally, a separate MF working group/ task force has already been established and may be better suited for gathering the perspectives of MF building owners and additional MF program implementers and technical experts.

Lastly, we will not require that notes, scopes of work, and important reports or interim recommendations from each working group be made publicly available or noticed to the full service list. The purpose of the working group is for its members to deliberate and make final recommendations that are then made public. Requiring all interim work products, meeting notes to be circulated to the service list before a final recommendation is determined is not constructive since it may clutter the record. Working group and advisory board materials are not part of the official record unless specifically included by the

ALJ. Draft and final recommendations of the Working Groups are already required to be submitted publicly to the service list and we find this process to be sufficient.

#### **4.6. Additional Clarifications and Modifications**

In addition to the above, additional revisions have been made to D.16-11-022 including but not limited to:

1. The ability to use the Advice Letter process for additional budget requests and/or program and policy modifications will only apply to this budget cycle (2017-2020), and shall sunset on December 31, 2020. Thereafter, all such changes related to budget increases and/or program changes shall be requested through a Petition for Modification.
2. The requirement in Section 3.6.3 and Ordering Paragraph 29(b), to file workpapers to substantiate savings of thermostatic tub spouts is removed because their cost-effectiveness will be determined in the mainstream energy efficiency program and applied in ESA.
3. The requirement in Section 3.11.3 and Ordering Paragraphs 53 and 55, to follow Section 5 of the Energy Efficiency Evaluation Measurement and Verification Plan has been updated instead the latest version of the Plan.
4. The requirement to collect toilet information is removed from Section 3.6.3, Conclusions of Law #58, 59, 60 and 62, and Ordering Paragraph 33 because of lack of funding for CSD and/or DWR toilet replacement programs, and no longer a need for this data collection.
5. The requirement for joint mailings in Section 4.1.2.2, #2, Conclusion of Law #126, and Ordering Paragraphs 105 and 152 is modified to allow the mailings be combined, or sent separately if it will be more effective.



6. The sentence at the end of Section 14.12 is deleted because it refers to Appendices H and I that do not exist and was included in error.
7. Corrections to typographical errors.
8. Insertions of dates for deliverables where specific dates were not provided.
9. Clarifications to ambiguous or conflicting directives.

#### **5. Comments on Proposed Decision**

The proposed decision of the ALJ in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on \_\_\_\_\_ and reply comments were filed on \_\_\_\_\_ by \_\_\_\_\_.

#### **6. Assignment of Proceeding**

Clifford Rechtschaffen is the assigned Commissioner and W. Anthony Colbert is the assigned ALJ in this proceeding.

#### **Findings of Fact**

1. D.16-11-022 set forth the parameters for administration and participation in the CARE and the ESA Program, the Commission's two main low-income energy assistance programs.
2. Certain modifications to D.16-11-022 have been proposed pursuant to the Petition to Modify Decision 16-11-022, as filed by the Joint IOUs. A separate PFM was jointly filed by CHPC, NRDC, and NCLC.
3. Parties were provided due opportunity to file responses to each of the two filed PFMs to D.16-11-022, and sponsoring petitioners were provided due opportunity to reply to those responses.

4. Attachment 1 to this decision, constitutes a revised red-lined version of the entire text of D.16-11-022, and incorporates all of the appropriate modifications to D.16-11-022 pursuant to the recommendations presented in the two filed PFMs, including cleanup of errors and clarifications.

5. The directive to facilitate delivery of customer information to the CSD through Green Button Connect My Data Program should be eliminated. Instead the IOUs and CSD should be permitted to facilitate data exchange through the EDRP.

6. COL 190 is in error. The directive to create a statewide database should thus be deleted in lieu of existing and future individual data sharing agreements.

7. There is no significant benefit in having the Commission notified each time the 8 percent threshold is exceeded, so the reporting requirement in Section 3.1.2 relating to the 8 percent threshold should be eliminated.

8. The directive should be clarified in Section 3.9. for non-deed restricted MF housing to require the IOUs to conduct and report an annual analysis of the square footage, energy consumption and time since last retrofit of MF properties with a high percentage of low income tenants.

9. Clarification is warranted to affirm that the IOUs may continue offering Tier 1 power strips to customers under appropriate circumstances, and where practical.

10. Clarification is warranted to affirm that SCE's original proposal was to install evaporative coolers as a compliment to be used in place of the customer's existing units in hot and dry climate zones.

11. Because SCE does not replace evaporative coolers, any language referencing such replacement should be deleted from the Decision.

12. The Decision should be modified to adopt the clarifications described above regarding second refrigerator replacement.

13. The allocations of payment for the 2017 EE Potential Study consultant should be corrected, as proposed by the IOUs, consistent with prior Commission directives.

14. COL 61 warrants correction to reflect that the water leveraging plans are to be submitted via the mid-cycle advice letter process.

15. Clarification is warranted to direct the IOUs to file uniform PCT pilot program plans by March 1, 2018.

16. Clarification is warranted to direct the IOUs to track and report households treated under a joint funding mechanism with CSD, CEC, and/or the DWR and allow the IOUs to count these jointed treated households towards their homes treated goals.

17. OP 79 reflects incorrect figures for the IOUs ESA Program homes-treated targets, and warrant correction, as proposed by the IOUs.

18. Clarification is warranted to affirm that the ESACET has already been adopted and approved for use.

19. Modification of the three Lifeline directives, as proposed by the IOUs, should be adopted to facilitate smoother program coordination.

20. Correction is warranted to affirm that the CARE IT budget figures should apply to the year 2017, and not 2016.

21. To ensure that ratepayer funds are being spent prudently, the Decision should be modified to impose a cap not to exceed 15 percent of individual authorized cooling center utility budgets for the funding transportation of cool center patrons.

22. The CARE Expansion Program and the related language should be stricken from the Decision. As part of the mid-cycle advice letter update, however, the IOUs should address the merits of whether the common area meters of deed-restricted properties be granted access to the CARE rate under modifications to the CARE Expansion program.

23. A missing title needs to be added to the chart for the approved CARE IT budget on page 309 of the Decision.

24. Although the directive for the statewide RFP to create end-use customer profiles should be retained, changes to the discussion, COLs and OPs in regards to this directive are needed, (a) specifying due dates for the issuance of the RFPs of March 31, 2018, and (b) integration into the DRAM shall occur in the next available DRAM bid process which is anticipated in 2019. Furthermore, the disaggregation requested for the ESA Program should be limited to end-use and NOT down to the appliance level, and the tribal-specific directives removed, as they have no record support.

25. The scope of the LINA Study should be retained.

26. Modification is warranted to direct the IOUs to update their My Account/My Energy websites for mobile versioning to, at a minimum, allow a customer complete a secure CARE recertification, PEV, high usage alerts, and for the electric IOUs, allow viewing of household hourly interval energy usage for energy management purposes by December 31, 2017.

27. Modification is warranted to delete the requirement for new balancing accounts, as this would be duplicative in relation to existing balancing accounts

28. The following proposed modifications of the Joint Parties (i.e., NRDC, CHPC and NCLC) warrant adoption to the extent adopted in Attachment 1, regarding the topics as follows:

- a. An implementation timeline for MF Common Area Activities;
- b. Clear MF work group deliverables and deadlines; and
- c. A Petition process, as set forth in Attachment 1, for additional parties to become members of the mid-cycle working groups as initiated in D.12-08-044.

**Conclusions of Law**

1. The Petition for Modification of Decision 16-11-022, as filed jointly on April 24, 2017, by PG&E, SCE, SDG&E, and SoCalGas, was procedurally in compliance with the Commission's rules, and should be granted, in part, to the extent as reflected in Attachment 1 to this decision.

2. The Petition for Modification of Decision 16-11-022, as filed jointly on April 24, 2017, by CHPC, NRDC, and NCLC was procedurally in compliance with the Commission's rules, and should be granted, in part, to the extent as reflected in Attachment 1 to this decision.

3. The modifications to D.16-11-022, as identified in the redlined document set forth as Attachment 1 to this decision should be approved and adopted. With the adoption of these modifications, Attachment 1 should supersede D.16-11-022.

4. With the adoption of the modifications to D.16-11-022 set forth in Attachment 1 of this decision, no further issues are outstanding, and these consolidated proceedings should be closed.

**O R D E R****IT IS ORDERED** that:

1. The Petition for Modification (PFM) of Decision (D.) 16-11-022, as filed jointly on April 24, 2017, by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern

California Gas Company, is granted, in part, to the extent that the PFM recommended modifications are incorporated in Attachment 1 to this decision..

2. The Petition for Modification (PFM) of Decision (D.) 16-11-022, as filed jointly on April 24, 2017, by The California Housing Partnership Corporation, the Natural Resources Defense Council, and the National Consumer Law Center is granted, in part, to the extent the PFM recommended modifications are reflected in Attachment 1 to this decision.

3. Decision (D.) 16-11-022 is modified to incorporate and adopt the redlined additions and deletions, as set forth in Attachment 1 of this order. With the adoption of these modifications, Attachment 1 supersedes D.16-11-022.

4. All other requested modifications are denied.

5. Application (A.) 14-11-007, A.14-11-009 A.14-11-010, A.14-11-011 are closed.

This order is effective today.

Dated \_\_\_\_\_, at San Francisco, California.