

Decision 15-12-024 December 17, 2015

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

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

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

And Related Matters.

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

INTERIM DECISION ADOPTING BRIDGE FUNDING FROM JANUARY 1, 2016 TO JUNE 30, 2016 FOR THE LARGE INVESTOR-OWNED UTILITIES' ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAMS

1. Summary

This decision authorizes the large investor-owned utilities (IOUs), Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company, to expend an amount not to exceed 50% of their respective 2015 authorized budget level, from January 1, 2016 until June 30, 2016, to continue their Energy Savings Assistance Program (ESA) and California Alternate Rates for Energy (CARE) Program, or until the Commission adopts a final decision on the IOUs' ESA and CARE Program budget applications for 2015-2017.

2. Background

In Decision (D.) 14-08-030, we approved the budgets for the 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 IOUs) for their respective Energy Savings Assistance Program (ESA) and California Alternate Rates for Energy (CARE) Programs for program year 2015. For 2015, the Joint IOUs were authorized to spend approximately \$390,788,183 in ratepayer funds for the ESA Program and \$1,281,317,591 in ratepayer funds for the CARE Program.

On October 19, 2015, the Joint IOUs filed two motions: the first requesting 2016 Bridge Funding Until a Final Decision is Issued for the 2015–2017 Programs (Motion for Bridge Funding), and the second requesting expedited treatment of the Motion for Bridge Funding. In their motions, the Joint IOUs requested bridge funding from January 1, 2016-December 31, 2016, at the 2015 authorized budget level, or ending on the date that the Commission adopts a final decision. The Joint IOUs also requested that the Commission act on the Motion for Bridge Funding by November 19, 2015, with Responses to the Motion due on October 29, 2015 and Reply to Responses due on November 5, 2016 in order to avoid a disruption in the programs should the Commission be delayed in authorizing program plans and budgets for 2016 and 2017.

On October 27, 2015 Administrative Law Judge (ALJ) W. Anthony Colbert issued an ALJ Ruling granting the Joint Utilities' request for expedited treatment of the Motion for Bridge Funding with Responses to the Joint Motion for Bridge Funding due on November 2, 2015, and Replies to the Joint Motion for Bridge Funding due on November 6, 2015.

3. Comments

Three sets of responses to the Motion for Bridge Funding were received. The first was from The East Los Angeles Community Union, the Maravilla Foundation, and the Association of California Community and Energy Services;

the second was from The Utility Reform Network (TURN) and The Greenlining Institute; and third was from the Office of Ratepayer Advocates. All three responses supported the Joint IOUs' request for bridge funding. The parties agree that bridge funding is needed to ensure that no disruption occurs when the IOUs' authorized budgets for ESA and CARE Programs expire at the end of 2015. TURN also noted that the authorization should explicitly extend the funding for the Community Help and Awareness of Natural Gas and Electricity Services (CHANGES) Pilot Program in 2016. On November 4, 2015 Energy Efficiency Council filed a response expressing its support of the Motion of the Joint Utilities for 2016 Bridge Funding.

We agree with parties on the need to prevent service disruption. Therefore, we authorize bridge funding as discussed below.

4. Funding Approach

This decision authorizes each of the IOUs to establish a gas and electric funding budget effective January 1, 2016 through June 30, 2016, based on 50% of the 2015 ESA and CARE Program budgets authorized by D.14-08-030. The bridge funding includes continued funding for the CHANGES Pilot Program at the existing funding level. This amount should conform with any future budget alterations outlined in any other decisions affecting the CHANGES program. If the Commission issues a decision on the 2015-2017 CARE/ESA program applications prior to that time, this bridge funding shall expire upon issuance of that decision. Any under-/over-collection that results from authorized program spending level increases or decreases as a result of a final decision in the Consolidated Proceeding will be addressed in each of the IOUs' gas Public Policy Program/Public Purpose Program (PPP) Surcharge, electric PPP mechanisms in accordance with established procedures. Pending any decision directing funding

alterations to the CHANGES budget, the IOUs are directed to file a Tier 1 advice letter within 30 days documenting any budget adjustments.

5. Adopted Bridge Funding Budgets

In Table 1 below, we detail the IOUs' bridge funding budgets authorized by this decision. The authorized funding levels reflect the corresponding 50% of each of the IOUs' authorized 2015 program budgets and homes treated target levels:

Table 1
Bridge Funding Budgets beginning January 1, 2016- June 30, 2016
Budget & Homes Treated Targets Summary

Utility	ESA	CARE	Total	Homes Treated Targets
PG&E	\$80,931,055.50	\$310,446,256	\$391,377,312	59,970
SCE	\$36,368,315.50	\$211,909,825	\$248,278,141	43,695
SoCalGas	\$66,208,595.50	\$73,753,345	\$139,961,941	68,418
SDG&E	\$11,886,125	\$44,549,369.50	\$56,435,495	10,158
Total	\$195,394,092	\$640,658,796	\$836,052,887	182,241

6. Revenue Requirements

In this decision, we do not change the overall revenue requirements for the IOUs' ESA and CARE Programs adopted in the 2012-2014-program cycle. For ratemaking purposes, each of the IOUs shall continue to use its 2014 CARE, ESA, and Cool Center authorized funding levels in order to develop rates effective January 1, 2016.¹ Any under-/over-collection that results from authorized program spending level increases or decreases as a result of the final decision in the Consolidated Proceeding in 2016, shall be addressed in each of the IOUs' gas PPP Surcharge, electric PPP mechanisms, and/or currently authorized

¹ If applicable, PG&E and SDG&E may include an adjustment to their gas and electric expense allocations in their gas PPP surcharge Advice Letter filing and annual electric ratemaking filing.

ratemaking procedures, or as soon as practicable but no later than 90 days following the issuance of a final decision on the Consolidated Proceeding.

In order to allow for the possibility that the final decision in the Consolidated Proceeding may adopt a different revenue requirement effective January 1, 2016, we direct the IOUs to continue to track in the existing memorandum account the difference between the revenue requirement adopted in this decision and that requested in the applications beginning January 1, 2016. A final decision on the revenue requirement will be made before June 30, 2016.

7. Categorization and Assignment of Proceeding

This proceeding is categorized as ratesetting. The assigned Commissioner is Catherine J.K. Sandoval and the assigned ALJ is W. Anthony Colbert.

8. Comments on the 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. Three of the IOUs (SDG&E, SoCalGas, and SCE) submitted comments along with the EE council, TELACU and ACCES on December 3, 2015. One IOU (PG&E) did not submit opening comments and no party filed reply comments.

- The IOUs request minor corrections in the authorized budgets and additional clarification regarding revenue requirements, ratemaking mechanisms, and memorandum accounts.
- SCE requests an additional Ordering Paragraph concerning Cool Center funding to align with the intent of the Proposed Decision.
- SoCalGas and EE council request a full year of bridge funding as requested in the parties' 10/19/15 joint motion to minimize uncertainty and allow for better contractor planning.

We agree with the requested clarifications and the need to conform the proposed budget adjustments, particularly for CHANGES, and have revised the decision accordingly.

Findings of Fact

1. Bridge funding is needed to continue the current ESA and CARE Programs while the Commission considers the issues raised in the Consolidated Proceeding.

2. Bridge funding is needed to ensure that no disruption occurs when the budget authorized for the 2015 ESA and CARE Programs expires at the end of the year.

3. Bridge funding should include continued funding for the CHANGES Pilot Program.

4. For 2015, D.14-08-030 authorized the IOUs to spend approximately \$390,788,183 in ratepayer funds for the ESA Program and \$1,281,317,591 in ratepayer funds for the CARE Program.

5. Bridge funding is needed to continue the current Cool Center Program while the Commission considers the issues raised in the Consolidated Proceeding.

Conclusions of Law

1. There is a need for continued funding of the IOUs' ESA and CARE Programs from January 1, 2016-June 30, 2016.

2. To avoid disruption to the IOUs' ESA and CARE Programs and to ensure continuity of the IOUs' ESA and CARE Programs beyond December 31, 2015, a bridge funding decision should be issued.

3. Our approval of this bridge funding of the ESA and CARE Programs is not equivalent to approval of the 2015-2017 ESA and CARE Programs themselves,

and should not be construed as a guarantee of continued funding in the 2015-2017 ESA and CARE Programs or as a decision on the merits of any aspect of the ESA and CARE Programs for the 2015-2017 budget cycle.

4. If the Commission issues a decision on the 2015-2017 program applications prior to June 30, 2016, the bridge funding expires upon issuance of that decision.

O R D E R

IT IS ORDERED that:

1. Bridge funding is authorized for the large investor-owned utilities, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company (IOUs) as illustrated in the below Table 1 for the IOUs' Energy Savings Assistance and California Alternate Rates for Energy Programs, from January 1, 2016 until June 30, 2016, in Applications (A.) 14-11-007, A.14-11-009, A.14-11-010, and A.14-11-011:

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Total	\$195,394,092	\$640,658,796	\$836,052,887	182,241

2. The period for the Bridge Funding for the 2015-2017 Energy Savings Assistance, California Alternate Rates for Energy and Cool Center Programs begins January 1, 2016 and ends on June 30, 2016.

3. This Bridge Funding for the 2015-2017 Energy Savings Assistance Program and California Alternate Rates for Energy Program, and Cool Center Program

shall expire upon the issuance of the final decision in the instant Applications (A.) 14-11-007, A.14-11-009, A.14-11-010, and A.14-11-011.

4. This Bridge Funding for the 2015-2017 California Alternate Rates for Energy Program includes funding for the Community Help and Awareness of Natural Gas and Electricity Services Pilot Program and shall expire upon the issuance of the decision authorizing a new budget for that Program.

5. Bridge funding for each of the large investor-owned utilities, Pacific Gas and Electric Company (PG&E), Southern California Edison Company, San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SCE) (IOUs') existing Cool Center Program is approved at 50% of 2015 authorized funding levels for the period of January 1, 2016 – June 30, 2016. PG&E and SDG&E shall continue to fund cool centers as part of their California Alternate Rates for Energy Administration budgets and SCE shall continue to record cool center costs in its Public Purpose Programs Adjustment Mechanism.

6. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company (IOUs) shall address any under-/over-collection that results from authorized program spending level increases or decreases as a result of a final decision in Applications (A.) 14-11-007, A.14-11-009, A.14-11-010, and A.14-11-011 in each of the IOUs' gas Public Purpose Program Surcharge, electric Public Purpose Program mechanisms, and/or currently authorized ratemaking procedures.

7. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall continue to track, in the existing memorandum account, the difference between the revenue requirement adopted in this decision and that requested in their pending applications commencing on January 1, 2016.

8. Applications (A.) 14-11-007, A.14-11-009, A.14-11-010, and A.14-11-011 remain open.

This order is effective today.

Dated December 17, 2015, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners