

Decision 16-06-018 June 9, 2016

**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 JULY 1, 2016 TO DECEMBER 31, 2016 FOR THE LARGE INVESTOR-OWNED UTILITIES' ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAMS**

**Summary**

This decision extends the bridge fund period authorized in Decision (D.) 15-12-024, from July 1, 2016 to December 31, 2016 for 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. As outlined in decision D.15-12-024, the utilities are authorized to expend an amount not to exceed 50% of their respective 2015 authorized budget level, during this extended bridge fund period beginning July 1, 2016 until December 31, 2016 to continue their Energy Savings Assistance (ESA) Program 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.

## **1. Background**

In Decision (D.) 15-12-024, we approved bridge funding for 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 (IOUs)) for their respective Energy Savings Assistance (ESA) Program and California Alternate Rates for Energy (CARE) Programs from January 1, 2016 until June 30, 2016.

On April 22, 2016, the Joint IOUs filed two motions: the first, requesting an extension of Bridge Funding from July 1, 2016 through December 31, 2016 (Motion for Bridge Funding), and the second, requesting expedited treatment of the Motion for Bridge Funding. In their motion for extended bridge funding, the Joint IOUs request that the Commission:

1. Authorize bridge funding beginning July 1, 2016 through December 31, 2016 for the CARE and ESA Programs at the same funding level authorized for each IOU in D.15-12-024, Ordering Paragraph 1, and Table 1.
2. Authorize bridge funding for the Joint IOUs' respective Cool Center Program at the same funding level authorized in D.15-12-024, Ordering Paragraph 2.
3. Order the authorized bridge funding for the ESA, CARE, and Cool Center Programs to expire upon the issuance of a final decision on the Joint Utilities' Applications filed on November 18, 2014 in this consolidated proceeding, consistent with the Commission's order in D.15-12-024, Ordering Paragraph 3. The Joint IOUs further request a reasonable time period for each utility to transition its operations from bridge funding budgets to the funding levels for the low income programs adopted by a final decision.

4. Extend all remaining Ordering Paragraphs from D.15-12-024 through December 31, 2016 as appropriate, or until adoption of a final decision on the Joint IOUs' Applications.

## **2. Comments**

On May 9th, 2016, the Commission's Office of Ratepayer Advocates filed comments supporting bridge funding in the event a final decision is not issued by June 1, 2016.

## **3. Funding Approach**

As noted in their Motion, the Joint IOUs are requesting expedited treatment of this bridge funding request, in hopes the Commission will issue a proposed decision authorizing bridge funding by May 23, 2016, so that the decision can be placed on the agenda for adoption by the Commission at the June 23, 2016 meeting. The Joint IOUs assert that the Commission's prompt action on the two Motions will assure continuous and uninterrupted delivery of the low income programs. Moreover, continuation of bridge funding before or on June 23, 2016 is needed to allow the IOUs to extend program contracts, and to provide program contractors a degree of certainty regarding the continuation of the CARE and ESA Programs for the remainder of the year.<sup>1</sup>

This decision authorizes each of the IOUs to establish a gas and electric bridge funding budget effective July 1, 2016 through December 31, 2016, based on the bridge funding budgets authorized in D.15-12-024. The bridge funding includes an increase in funding for the Changes Pilot Program from \$61,200 per month to \$145,833 per month pursuant to D.15-12-047.

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<sup>1</sup> IOU Joint Motion for Bridge Funding at 2.

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 Joint IOUs' gas Public Policy Program/Public Purpose Program (PPP) Surcharge, electric PPP mechanisms in accordance with established procedures.

#### 4. Adopted Bridge Funding Budgets

In Table 1 below, we detail the IOUs' bridge funding budgets authorized by this decision. As this bridge funding is for an additional six months, 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 July 1, 2016- December 31, 2016**  
**Budget & Homes Treated Targets Summary**

Utility	ESA	CARE	Total	Homes Treated Targets
PG&E	\$80,931,055.5 0	\$310,598,596	\$391,529,65 2	59,970
SCE	\$36,368,315.5 0	\$212,062,165	\$248,430,48 1	43,695
SoCalGas	\$66,208,595.5 0	\$73,880,295	\$140,088,89 1	68,418
SDG&E	\$11,886,125	\$44,625,539	\$56,511,664	10,158
<b>Total</b>	<b>\$195,394,092</b>	<b>\$641,166,595</b>	<b>\$836,560,68 7</b>	<b>182,241</b>

#### 5. 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. 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 ratemaking procedures, or as soon as practicable but no later than 90 days following the issuance of a decision authorizing programs and budgets in 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 their existing memorandum accounts the difference between the revenue requirement adopted in this decision and that requested in the applications beginning January 1, 2016. While we anticipate that we will issue a final decision on the revenue requirement in these pending applications shortly, we authorize bridge funding through December 31, 2016 to prevent any potential program disruption.

## **6. Categorization and Assignment of Proceeding**

This proceeding is categorized as ratesetting. The assigned Commissioner is Catherine J.K. Sandoval and the assigned Administrative Law Judge and Presiding Officer is W. Anthony Colbert.

## **7. Waiver of Comment Period**

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Section 311(g)(2) of the Public Utilities Code and Rule 14.6(c)(2) of the Commission's Rules of Practice and Procedure, the otherwise applicable 30-day period for public review and comment is waived.

## **Findings of Fact**

1. The budget authorized for the 2015 ESA and CARE Programs expires at June 30, 2016.

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

3. Bridge funding should include increased funding for the Changes Pilot Program authorized in D.15-12-047.

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 Joint IOUs' ESA and CARE Programs from July 1, 2016 through December 31, 2016.

2. To avoid disruption to the Joint IOUs' ESA and CARE Programs and to ensure continuity of the Joint IOUs' ESA and CARE Programs beyond June 30, 2016, a bridge funding decision should be issued.

3. Bridge funding at 50% authorized 2015 program budgets is reasonable and should be adopted.

4. Approval of the bridge funding of the ESA and CARE Programs should not be 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.

5. If the Commission issues a decision on the 2015-2017 program applications prior to December 31, 2016, the bridge funding should expire upon issuance of that decision.

## I N T E R I M   O R D E R

**IT IS ORDERED** that:

1. Bridge funding for Energy Assistance Savings Program/California Alternative Rates for Energy Programs is authorized for Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company (Investor-Owned Utilities) as illustrated in the below Table 1 from July 1, 2016 until December 31, 2016, in Application (A.) 14-11-007, A.14-11-009, A.14-11-010, and A.14-11-011:

**Table 1**  
**Bridge Funding Budgets beginning July 1, 2016 - December 31, 2016**  
**Budget & Homes Treated Targets Summary**

Utility	ESA	CARE	Total	Homes Treated Targets
PG&E	\$80,931,055.50	\$310,598,596	\$391,529,652	59,970
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<b>Total</b>	<b>\$195,394,092</b>	<b>\$641,166,595</b>	<b>\$836,560,687</b>	<b>182,241</b>

2. The period for the Bridge Funding for the 2015-2017 Energy Savings Assistance, California Alternate Rates for Energy and Cool Center Programs begins July 1, 2016 and ends on December 31, 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 on the issuance of the final decision in the instant Application (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 incorporates funding recently authorized for that Program in Decision 15-12-047.

5. Pacific Gas and Electric Company and San Diego Gas & Electric Company (Investor-Owned Utilities) shall continue to fund cool centers as part of their California Alternate Rates for Energy Administration budgets and Southern California Edison Company 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 (Investor-Owned Utilities (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 Application (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 accounts (specify the accounts), the difference between the revenue requirement adopted in this decision and that requested in their pending applications commencing on July 1, 2016.

8. Application (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 June 9, 2016, at San Francisco, California.

MICHAEL PICKER

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

CARLA J. PETERMAN

LIANE M. RANDOLPH

Commissioners