BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine the Commission's Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues	Rulemaking 09-11-014 (Filed November 20, 2009)

COMMENTS OF THE CALIFORNIA ENERGY EFFICIENCY INDUSTRY COUNCIL (EFFICIENCY COUNCIL) IN RESPONSE TO THE ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO REGARDING 2013-2014 BRIDGE PORTFOLIO AND POST-PLANNING, PHASE IV

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I. Introduction and Summary

The California Energy Efficiency Industry Council (Efficiency Council) respectfully submits these comments, in accordance with Rules 1.9 and 1.10 of the California Public Utilities Commission's (CPUC or Commission) Rules of Practice and Procedure and in response to the "Assigned Commissioner's Ruling And Scoping Memo Regarding 2013-2014 Bridge Portfolio And Post-Planning, Phase IV" (ACR), dated October 25, 2011.

The Efficiency Council is a statewide trade association of non-utility companies that provide energy efficiency services and products in California.[1] Our member businesses, now numbering nearly 60, employ over 4,000 Californians throughout the state. They include energy service companies, engineering and architecture firms, contractors, implementation and evaluation experts, financing experts, workforce training entities, and manufacturers of energy efficiency products and equipment. The Efficiency Council's mission is to support appropriate energy efficiency policies, programs, and technologies that create sustainable jobs and foster

[1] More information about the Efficiency Council, including information about the organization's current membership, Board of Directors, and antitrust guidelines and code of ethics for its members, can be found at www.efficiciencycouncil.org. The views expressed by the Efficiency Council are not necessarily those of its individual members.

long-term economic growth, stable and reasonably priced energy infrastructures, and environmental improvement.

The Efficiency Council's members have substantial expertise in California's energy efficiency industry and have on-the-ground experience with successfully delivering efficiency savings in the state through a variety of channels and helping California's residents and businesses lower their utility bills. Our member companies, consistent with trends experienced in the overall energy efficiency industry across the country, experienced employment growth of nearly 30% in 2009 and another 20% in 2010. Efficiency Council member companies also expect to hire at least hundreds more individuals in California in the year to come, providing a rare bright spot of employment growth in the state's otherwise stagnant economy.

The Efficiency Council appreciates the opportunity to provide these comments on the ACR and Scoping Memo's considerations for a two-year (2013-2014) energy efficiency bridge period and longer-term planning for post-bridge period portfolios. The Efficiency Council generally supports the Commission's efforts and proposed schedule to resolve the issues and context for extending the current cycle as quickly as possible, such that no interruptions in programs are experienced in 2013, nor for the beginning of the next program cycle. We emphasize that the bridge period should be treated as an extension period of the current 2010-2012 cycle. We look forward to continuing collaboration with other stakeholders to ensure California's continued progress toward achieving its energy efficiency goals. The Efficiency Council's response to the ACR and Scoping Memo is summarized as follows:

a) The Efficiency Council generally supports the ACR's proposal to establish a two-year bridge period, as an extension of the current cycle, given the time available for the given planning tasks necessary in advance of the next program cycle. However, we urge the Commission to keep the bridge period planning as simple as possible and on schedule in order to provide market continuity for 2013-2014 and enable sufficient time and resources for developing policy guidance, planning activities, and an on-time program start for the next cycle.

b) The Efficiency Council generally supports the ACR's proposal to consider rolling cycles and evergreening of effective energy efficiency programs. These elements have the potential to more effectively facilitate more opportunities for new program ideas to be solicited and implemented throughout the cycle as the market evolves. They also help remove disruptive program cycle starts and stops that cause confusion and indecision by customers and that are not conducive to a strong, effective, or sustainable clean energy economy. We recommend the Commission further pursue these concepts with stakeholders and develop a detailed proposal for how such a revised structure would be practically implemented.

c) While the Efficiency Council supports limited and targeted modifications during the bridge period to improve performance of the portfolios, we are concerned that the extent of portfolio adjustments in the ACR's proposal may create delays that prevent the Commission from adhering to its proposed schedule to maintain forward progress in the efficiency portfolios. The Efficiency Council recommends that rather than developing a mini, two-year portfolio for the bridge period, the Commission extend the current cycle, tackling consensus-driven adjustments that can be achieved within the proposed schedule, and address many of the issues in the scoping memo for the next full portfolio cycle (or its revised structure).

d) The Efficiency Council supports continued involvement of and greater opportunities for third parties and local governments to implement energy efficiency programs. We recommend, however, that the Commission clarify its intentions regarding proposed changes in energy efficiency program administration, especially in regards to the distinction between program administration and implementation. At this time, the Efficiency Council recommends maintaining utility administration of energy efficiency portfolios with more opportunities for non-utility program implementation.

e) The Efficiency Council supports the Commission's role as a regulator and provider of policy and guidance for implementation of the energy efficiency portfolios. Accordingly, we recommend that the Commission focus its resources on providing high level policy and guidance according to the ACR's proposed schedule to allow the implementers and utilities (with input from stakeholders) to design effective programs for the bridge period and future portfolios. We do not believe it is an effective use of resources for the Commission staff and parties to the proceeding to attempt to collectively evaluate and design the energy efficiency programs in the limited and fast-moving context of this proceeding's comments and replies.

II. Discussion

a) The Efficiency Council supports the Commission's efforts and proposed schedule to quickly resolve the issues and context for extending the current cycle. The Efficiency Council generally supports the ACR's proposal to establish a two-year bridge period, given the time available for the given planning tasks necessary in advance of the next program cycle. However, we urge the Commission to keep the bridge period planning as simple as possible and on schedule in order to provide market continuity for 2013-2014 and enable sufficient time and resources for developing policy guidance, planning activities, and an on-time program start for the next cycle.

The Efficiency Council commends the Commission for its current effort to move quickly to provide guidance for planning the cycle extension and subsequent cycle in the ACR and scoping memo. As the December 23, 2010 Assigned Commissioner's Ruling stated, "it is clear that the current cycle will need to be extended by at least one year. An advantage of making that determination now is that all parties can plan for this change well in advance, as compared to the 2009 bridge funding decision." (p. 5) The parties have patiently waited for further direction from the Commission throughout 2011 and the past summer since the May 27, 2011 ALJ ruling on bridge funding and mechanics of portfolio extension, to which the Efficiency Council provided opening and reply comments, as well as joint reply comments with other parties. We are pleased to see at this point a proposed schedule that begins to recognize the short planning timeline available to allow for 2013 on-time program starts, but emphasize that the proposed schedule will not necessarily enable program administrators and implementers sufficient time to plan for and implement the portfolio extension without a hiatus in implementation and customer offerings.

We also stress to the Commission that its delay in issuing guidance up to this point has effectively required a two-year extension rather than a one-year extension as the Efficiency Council originally urged. The compressed timeframe at this point to address remaining planning issues for the bridge period as well as the next cycle is resulting in rapid and frequent requests for comments as laid out in the Scoping Memo. We wish to point out to the Commission that this accelerated schedule that is now necessary will make it difficult for parties to effectively evaluate and respond to the proposals in detail, particularly if these Commission proposals involve significant changes. The rapid requests also prevent the parties from exchanging ideas with each other, and in our case, internally among the Efficiency Council members, prior to providing feedback to the Commission, thereby reducing the value of the comment periods.

Despite the short time for review, we are generally supportive of the proposal to establish a two-year bridge period for 2013-2014, as proposed in the ACR and scoping memo (p. 3), due to the time requirements of the remaining planning steps for the next portfolio. We continue to emphasize that an extension of the current cycle into 2013 should be kept as simple as possible, with high-level policy guidance and procedural scheduling, in order to provide market continuity through and into the bridge period. We continue to believe a one-year extension period is most desirable from a market- and customer-continuity perspective, though we recognize that a two-year bridge period may be necessary due to the significant planning steps that remain in order to allow for proper guidance to be established in advance of the next portfolio cycle.

Although the ACR refers to the proposed 2013-2014 period as a "bridge portfolio," the Efficiency Council urges the Commission to treat the 2013-2014 period as an extension to the current cycle rather than a separate, stand-alone two-year cycle and portfolio. Treating the bridge period as an extension of the 2010-2012 cycle, as was intended by the December 23, 2010 ACR, will ensure the greatest continuity in funding and program implementation for customers, implementers, and administrators, as it would prevent the creation of an artificial boundary between the 2010-2012 cycle and the extension year(s). It will enable unspent funds from previous years of the cycle to flow into and supplement the nominal 2013-2014 budgets – and vice versa – and thus will allow for consideration of varying ramp-up times, for example for programs that did not start at the beginning of the 2010-2012 cycle, or for successful programs that have already spent their three-year budgets. In this way, an extension ensures that successful programs do not experience a drop in planned funding for 2013 from 2012 levels, which might otherwise unnecessarily pause or curtail program implementation activity and continued customer savings during the extension year.

Whether the Commission decides in favor of a one- or two-year bridge period, keeping the bridge period as simple as possible will also enable the Commission to adhere to its proposed schedule. We would prefer to see a final approval of the bridge period plans at least six months prior to the start of the 2013 period (whereas the proposed schedule on p. 17 calls for a final decision in August 2012) since implementer contract negotiations and ramp-up and working with customers can require substantial lead-times for project approval and implementation. Waiting until just a few months before program start to authorize the portfolio extension may delay some energy savings and jeopardize an on-time program start for all implementers as well as seamless program continuation delivery of services to customers. Some large industrial customers in particular even require a much longer lead time of 12 to 18 months, due to capital budget spending cycles and equipment ordering and installation schedules. With the current proposal for the Commission's bridge period planning process, these savings will already likely be impacted and forgone, resulting in a lower likelihood of meeting 2013 goals. However, we understand that there is much work to do to meet even an August 2012 deadline and believe the proposed schedule, if adhered to and the bridge extension kept as simple as possible, can still enable the utility administrators to plan and receive input throughout the next year in order to allow an on-time program continuation and/or start in 2013 for most implementers, though energy savings in some customer sectors will already be negatively affected. We strongly urge the Commission to maintain the proposed schedule to prevent even further delays that are harmful to businesses in the industry, hurt customers, and hinder the state's energy savings progress.

In planning for and establishing the schedule in advance of the next full portfolio cycle, the Commission's final approval of the next program cycle portfolios must occur at least six months, and preferably 12 months for certain types of programs, in advance of the portfolio start date to allow for contracting details to be finalized in advance of an on-time start for *all* program implementers. The schedule for all other pre-cycle planning must work backwards from this date. The Scoping Memo's proposed post-bridge schedule (p. 17-18), which suggests the Commission's proposed/final decision on post-bridge portfolio applications will occur in the third quarter of 2014, does not allow sufficient time for an on-time start on January 1, 2015. As we have experienced in the last couple of cycles, additional time-consuming planning steps after the Commission's portfolio approval decision, and the schedule must allow for this additional time to ensure an on-time start for all program implementers. There may be possible additional IOU advice letter portfolio adjustments directed by the Commission after the IOUs' applications are filed, after which implementer contracts must be finalized, and the Commission's EM&V plans are most effectively developed in advance of program starts rather than simultaneously with implementation. We refer the Commission to a sample planning timeline that was suggested in Attachment B of the Joint Comments the Efficiency Council filed with several other parties on June 30, 2011.

b) The Efficiency Council generally supports the ACR's proposal to consider rolling cycles and evergreening of effective energy efficiency programs. These elements have the potential to more effectively facilitate more opportunities for new program ideas to be solicited and implemented throughout the cycle as the market evolves. They also help remove disruptive program cycle starts and stops that cause confusion and indecision by customers and that are not conducive to a strong, effective, or sustainable clean energy economy. We recommend the Commission further pursue these concepts with stakeholders and develop a detailed proposal for how such a revised structure would be practically implemented.

The ACR and scoping memo propose a new structure of rolling cycles and evergreen programs for the energy efficiency portfolios (p. 3). The Efficiency Council is generally supportive of these concepts. Rolling cycles potentially would allow new program ideas to be solicited and implemented as the market evolves or when gaps in the portfolio are identified, enabling program implementers to participate in a continuous flow of solicitations rather than at an arbitrary point once every few years. Rolling cycles and evergreen programs would also allow programs to be implemented for a period of time that is suited to the program goals and structure and would allow programs or implementers that are not successful to be ended or bid out anew, preserving a competitive marketplace for energy efficiency program implementation. Incorporating these concepts into future portfolios and moving away from finite funding authorization cycles would also reduce administrative costs and burdens associated with contract negotiations/extensions, staffing uncertainty, and potential delays that risk interruptions in program delivery and customer continuity.

We encourage the Commission to begin including some elements of these changes during the bridge period, such as allowing solicitation and implementation of new program ideas during the period. This is especially important as the 2013-2014 bridge will essentially create a five-year program cycle during which the market has and will undoubtedly change and evolve, and new ideas or programs will be needed to keep pace with changing conditions. As we stated in our comments on the ALJ Ruling in May 2011, our members have reported some reluctance by some IOUs to adopt new program ideas mid-cycle, no matter how worthy, due to the burdensome process of adding new efforts to the portfolios, as well as the uncertainty of program authorization beyond the three-year portfolio cycle or the interpretation of existing mid-cycle authorization. If funds are available through elimination or decreased funding for some current programs, the Efficiency Council recommends that the Commission allow and encourage utilities to pursue either general or targeted solicitations for new programs during the bridge period.

Given the significant change to cycle structure if the Commission moves toward rolling cycles and/or evergreen programs, the Efficiency Council urges the Commission to provide more insight into its vision and timeline for practically implementing these changes, as well as to provide an opportunity to exchange ideas among the parties. A detailed proposal needs to outline the process for administering and implementing rolling cycles and evergreen programs, including schedule, metrics, evaluation, accountability, solicitation process, and the roles of CPUC policy guidance as well as the specific roles of utilities and non-utility implementers.

c) **While the Efficiency Council supports limited and targeted modifications during the bridge period to improve performance of the portfolios, we are concerned that the extent of portfolio adjustments in the ACR's proposal may create delays that prevent the Commission from adhering to its proposed schedule to maintain forward progress in the efficiency portfolios. The Efficiency Council recommends that rather than developing a mini, two-year portfolio for the bridge period, which appears to be proposed in the scoping memo, the Commission address many of the issues in the scoping memo for the next full portfolio cycle (or its revised structure) and tackle consensus-driven adjustments for the bridge period that can be achieved within the proposed schedule.**

The ACR and scoping memo include a significant list of proposed program changes during the bridge period, including detailed recommendations for revisions to the portfolio's programs. We remind the Commission that the purpose of the bridge period is to allow adequate time for the Commission, with party input, to complete the high-level policy planning activities necessary and for the portfolio administrators, with stakeholder input, to prepare program plans consistent with the Commission's policy guidance, in advance of the start of the next program cycle. While the Efficiency Council supports limited and targeted modifications to improve the performance of the portfolios to achieve more energy savings, we are concerned that the extent of the portfolio adjustments and the level of detail proposed in the ACR may drive delays that prevent a smooth transition and continuation into 2013. The ACR's recommendations for significant changes that are still in the infant stages of planning are likely to require more time to develop than is available in the schedule. We support ending unsuccessful programs but worry that sufficient evaluation results, as well as sufficient time to vet the changes among the parties, are not available to tackle all of the significant energy efficiency program changes proposed prior to the extension of the cycle.

The ACR's proposed program changes appear more like a two-year mini portfolio planning process that deserves and would require more time and attention than can be given within the proposed schedule. We support the Commission providing high-level guidance to the portfolio administrators that encourages them to modify unsuccessful programs and continually seek innovative ideas and programs for capturing energy savings and maintaining customer relationships. However, the Efficiency Council recommends addressing many of the issues identified in the ACR/scoping memo for the 2013-2014 bridge period as part of the planning process for post-2014 or as part of the rolling cycle discussion for the latter phases of the 2013-2014 period. The adjustments prior to the 2013-2014 period should be focused on those modifications that are already or can be quickly agreed upon by the parties and that are fairly simple to evaluate and implement.

Regarding the ACR proposal to place particular emphasis on financing options for the bridge period (p. 5-6), the Efficiency Council is supportive of ongoing opportunities to incorporate innovative ideas, including financing and leveraging of private capital as just one of the solutions to remove barriers to greater adoption of energy efficiency measures. We agree that an effort should be made to bring more private capital into all sectors of energy efficiency since capital constraints are one of the barriers to customer participation. We believe, however that a continued portfolio approach with a variety of program strategies is necessary to target multiple sectors and types of efficiency improvements, each of which has a variety of different market barriers. Financing is only one element of an innovative, integrated, and comprehensive portfolio, not a silver bullet or replacement for other energy efficiency program strategies.

Regarding the proposal for cost-effectiveness updates (p. 10), the Efficiency Council supports a broader, longer-term review of the cost-effectiveness framework for energy efficiency and is encouraged by the Commission's effort to establish a schedule for more extensive updates. We have provided comments and reply comments on updating avoided cost and cost-effectiveness methodologies, both in the short-term and long-term, in a separate phase of this proceeding that addresses near-term updates on avoided costs.[2] Our comments regarding long-term cost-effectiveness include encouragement for the Commission to assess potential non-energy benefits and market transformation benefits. For the near-term, we urge the Commission to quickly adopt any straightforward cost-effectiveness and avoided cost updates that emerge from the proceedings so that they can be in place in time for planning and implementation of the bridge period programs, as well as more comprehensive cost-effectiveness updates that can be utilized in planning of the next program cycle.

[2] See Efficiency Council comments filed on October 27, 2011 and reply comments filed on November 7, 2011 in this proceeding.

The Efficiency Council supports the ACR's proposal (p. 13) to establish and integrate cost-effectiveness updates into the broader policy guidance for the next portfolio cycle, including into the next goals study. It is important to ensure that the cost-effectiveness methodology is consistent between the goals for the next cycle and the requirements under which programs in the next cycle will be evaluated, so that the rules guiding the next program cycle are consistent throughout both planning guidance and implementation.

Regarding the ACR's proposal for *ex ante* updates (p. 14), the Efficiency Council agrees that all stakeholders need the best and most-updated information with which to evaluate and plan future programs. We urge the Commission to develop guidance for freezing the data set in the near-term for the bridge period so that the parties are working from the same set of information and the process is not delayed while waiting for new data. Last-minute or mid-cycle updates in values, particularly for the bridge period, will trigger delays and customer confusion that will hinder the entire energy efficiency endeavor. While freezing the data set for the bridge period, we recommend the Commission and stakeholders continue to focus on updates to EM&V results to inform and improve the next cycle's programs.

Regarding the ACR's proposal for incorporating the water-energy nexus programs (p. 7), the Efficiency Council is generally supportive and encourages the Commission to provide further policy guidance, based on the water-energy pilots and associated evaluation results, on how to count the embedded energy in water savings that may be pursued in the bridge period. We also encourage the Commission to update the Energy Efficiency Policy Manual to clarify that these embedded energy savings can be counted in the efficiency portfolios. With the appropriate Commission guidance, the water-energy programs are an example of the new and innovative program additions that we support for the extended portfolios.

d) The Efficiency Council supports continued involvement of and greater opportunities for third parties and local governments to implement energy efficiency programs. We recommend, however, that the Commission clarify its intentions regarding proposed changes in energy efficiency program administration, especially in regards to the distinction between program administration and implementation. At this time, the Efficiency Council recommends maintaining utility administration of energy efficiency portfolios with more opportunities for non-utility program implementation.

The ACR and scoping memo seeks input on the increased use of local government and third party programs, referring to recommendations to increase the number of "programs overseen and carried out by local governments and third parties who administer program[s] separately from utilities" (p. 8). The Efficiency Council supports greater opportunities for third parties (both those who fall under the Commission's directive for the minimum 20 percent of the portfolios that are competitively-bid, and those who may assist the utilities and/or local governments in implementing programs) and local governments to implement energy efficiency programs, but we believe there is an important distinction between administration and implementation of programs that is not clear in the ACR.

At this time, with the schedule very tight for planning and implementing the bridge period, as well as the need to move ahead with the many other steps in pre-cycle portfolio planning, the Efficiency Council does not support a change in overall IOU administration of the efficiency portfolios. We believe it will take significant time and resources to address major structural changes in administration and rushing ahead could lead to major disruption of programs and inject significant uncertainty into the market and for customers, as has already been experienced several times in the past when changes in administrative structure have been considered. In addition, turning the Commission and parties' attention to changes in administrative structure would divert necessary attention from resolving the multitude of policy issues that remain in advance of the next portfolio cycle (including cost-effectiveness, EM&V, goals setting, etc.), regardless of who the portfolio administrator would be. Rather than re-examining the administration issue, at least at this time, the Efficiency Council strongly urges the Commission to take this opportunity to make improvements to the general efficiency policy framework that can increase stability, encourage innovation, and stimulate job growth. The Commission should focus on expeditiously putting into place improvements that stabilize the cycles and limit unnecessary program starts/stops that 1) are harmful to customers and businesses, 2) confuse and disenchant customers, who may perceive starts/stops as indicative of program ineffectiveness, and 3) result in decreased energy savings. For the bridge period as well as the next program cycle, the Efficiency Council supports maintaining IOU administration of the energy efficiency portfolios, along with increased opportunities for non-utility program input, design, and implementation by third parties and local governments.

Regarding criteria for choosing programs and implementers, the Efficiency Council reminds the Commission that its cost-effectiveness requirements for energy efficiency are correctly applied at the portfolio-wide level, not program by program. Thus, cost-effectiveness should be just one of many considerations in the portfolio administrator's evaluation of the appropriateness of including any given program. Other criteria should also be considered, including specific considerations for each program's particular goals within the overall portfolio (e.g., portfolio gaps, stage of a program in market adoption, etc.). As a result, the Commission should help provide overall guidance to the utility administrators of appropriate criteria to use in selection of programs through a transparent process. If cost-effectiveness is included among selection criteria for the non-utility programs, as suggested in the ACR (p. 8), other criteria or weightings must also be developed that address the fact that some programs, especially education and outreach, as well as some deeper retrofit programs, are important elements of a broader cost-effective portfolio.

In addition, we urge the Commission to provide guidance that continues to encourage many different strategies to effectively pursue energy efficiency. The number of programs should be based on the goal of providing cost-effective savings opportunities across a variety of markets rather than a goal of simplifying the portfolio. We agree that at the customer end, the program options and opportunities need to appear simple, but the portfolios can continue to include many types of programs, some statewide and some targeted by geography, market or customer type if appropriate. We recommend that the Commission not attempt to curb program diversity and potential savings for the sake of simplicity.

While we understand there is a perception of program complexity, we urge the Commission to help solve some of the complexity and confusion experienced by implementers by giving greater attention to facilitating effective implementation of these programs and reducing administrative costs. The Commission should be mindful of the limitations of existing systems to meet the increasing granularity of reporting requirements for implementers. These increased administrative burdens, particularly if imposed for a two-year bridge portfolio rather than extension, can result in reduced savings by diverting program dollars and staff resources from energy-saving projects and appear as added complexity in the portfolio.

e) The Efficiency Council supports the Commission's role as a regulator and provider of policy and guidance for implementation of the energy efficiency portfolios. Accordingly, we recommend that the Commission focus its resources on providing high level policy and guidance according to the ACR's proposed schedule to allow the implementers and utilities (with input from stakeholders) to design effective programs for the bridge period and future portfolios. We do not believe it is an effective use of resources for the Commission staff and parties to the proceeding to attempt to collectively evaluate and design the energy efficiency programs in the limited and fast-moving context of this proceeding's comments and replies.

The Efficiency Council is encouraged by the Commission's efforts to provide guidance in time for a smooth transition beyond the 2010-2012 energy efficiency portfolios. We support the Commission's role as a regulator and provider of policy guidance, helping to establish the policy structure that guides the utilities and implementers in providing cost-effective, accountable programs for customers and the state. As a result, we support the Commission's efforts to provide high-level guidance as well as a proposed schedule that will provide the utilities and implementers the parameters within which to design, evaluate, and implement the best programs for the bridge period and future cycles. We also support the broader discussions of structural and portfolio cycle reform going forward.

The Efficiency Council believes that some of the ACR's detailed program recommendations and requests for information of all parties, especially the desire to lay out all of the programs and program detail for collective review and redesign (p. 9), are not appropriate given the proposed schedule, resources available, and appropriate roles of the Commission, administrators, implementers, and parties. We do not believe it is an effective use of the collective resources of the Commission staff and parties to the proceedings to attempt to evaluate and design the programs en masse within the limited and fast-moving context of comments and replies to these proceedings. While we support the Commission developing sound overall guidance and policy that allows for input and drives accountability, we believe that the Commission, while exercising appropriate oversight, should allow the portfolio administrators and implementers to focus on the task of designing and implementing the best portfolios in the time available. Extensive involvement by the Commission and requests for parties to propose and debate program budgets, designs and details are not appropriate functions for the Commission and parties; this risks further delays to the programs and does little to increase the effectiveness of the portfolios as long as the high-level guidance is clear and appropriate. Instead, a process should be established through which the utility administrators are required to receive input into their portfolio planning processes from interested parties.

III. Conclusion

The Efficiency Council appreciates the opportunity to offer these comments on the ACR and Scoping Memo regarding a 2013-2014 bridge period and post-bridge planning. Since the December 23, 2010 ACR that determined that an extension of at least one year for the 2010-2012 cycle was necessary, parties have been waiting for further Commission direction. We urge the Commission to now quickly resolve the issues around the bridge period extension, providing high-level policy guidance for the extension years, such that program delivery is uninterrupted. This will allow the Commission and stakeholders to address the larger, structural issues in planning for the next program cycle, to ensure uninterrupted service to customers who receive the benefits of the programs, and to maintain continued progress toward meeting the state's Strategic Plan and other energy and environment policies. The Efficiency Council looks forward to working with the Commission and other stakeholders to ensure a smooth transition and continuation of services to customers into the bridge period and beyond.

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