

MAY 2, 2012

**PROPOSED DECISION PROVIDING GUIDANCE ON 2013-2014 ENERGY EFFICIENCY PORTFOLIOS AND 2012
MARKETING, EDUCATION, AND OUTREACH (RULEMAKING 09-11-014)
PROPOSED PD MODIFICATIONS**

Recommended Changes to the PD**• Local Government Regional Networks**

- Issue: Authorizes local governments to independently administer regional EE pilots
 - o Local governments submit proposals in the form of Program Implementation Plans (PIPs) for review and selection by Commission
 - o Co-managed by Commission and investor-owned utilities (IOUs)
- Proposed Solution:
 - o Local government regional pilots unnecessarily duplicate existing programs offerings and increase administration costs.
 - o If adopted, a process needs to be established for bid submission, review, contract, and award for regional pilots
 - o Currently, PG&E uses the Innovator Pilots Program to solicit ideas from local governments.
 - o Commission should review our administration of contracts, not co-manage
- Select Parties' Comments:
 - o NRDC and NAESCO support utility-administration of regional pilots
 - o LGSEC, CCSE, and City and County of San Francisco support regional pilots
 - o Sierra Business Council notes that "creating an additional layer of energy efficiency program administration that duplicates the IOU model would not be efficient."
 - o AMBAG suggests "expanding and leveraging the AMBAG Local Government Partnership in our region instead of creating a new overlay of program management, ..."
 - o 20 parties had no comments on this topic

• Marketing Education and Outreach

- Issue: Unilaterally awards California Center for Sustainable Energy (CCSE) contract, which is an unprecedented award given CCSE didn't bid or provide qualifications
- Proposed Solution:
 - o Request for Proposal (RFP) process should be established to review qualifications and select new implementer
 - o Statewide marketing should be used for general awareness and local marketing should drive participation in programs.
- Select Parties' Comments:
 - o CCSE and CCSF support an implementer for ME&O
 - o IOUs do not support the process for selecting an implementer
 - o 28 parties did not provide comments on this specific point

- **Financing**

- Issue: Requires the IOUs to propose full program design and rollout in their applications, prior to engaging the consultant or garnering learnings from pilots
- Proposed Solution:
 - PD should be revised to allow the utilities to propose full financing programs **after** completion of the pilots, the consultant’s analysis and additional market research so that the new programs will be based on the findings.
- Select Parties’ Comments:
 - IOUs and DRA believe schedule is ambitious and more time is needed for pilots
 - 11 parties commented on various aspects of the finance programs
 - 21 parties had no comments on this topic

- **Energy Savings Goals**

- Issue: Goal set at more than 100% of the achievable market potential
 - With the addition of decay recovery to the goals, PG&E goals are in excess of 100% of achievable market potential as shown below:

	2013	2014
GWh	153%	182%
MW	185%	215%
MMTherms	106%	104%

- Proposed Solution:
 - Goals should not be set at more than 100% of achievable market potential
 - Decay should be eliminated for measures installed prior to 2010
 - Potential Study should be revised consistent with these objectives

Procedural Changes

- Issue: Additional guidance pending for IOU applications
 - Additional Assigned Commissioner Ruling
 - Templates for PIPs
 - Budget and cost effectiveness table requirements
 - Application outline including page limit guidelines
- Proposed Solution:
 - If all guidance is available on May 10, applications can be filed within 75 days
 - Alternatively, to avoid delaying the applications, the Commission could forgo issuing additional guidance and instead direct the utilities to collaborate on common formats, thus allowing application preparation to commence immediately