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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)

ASSIGNED COMMISSIONER'S RULING AND SCOPING MEMO REGARDING 2013-2014 BRIDGE PORTFOLIO AND POST-BRIDGE PLANNING, PHASE IV

1. Introduction

This ruling and scoping memo establishes Phase IV of the proceeding and its scope pursuant to Rule 7.3 of the Commission's Rules of Practice and Procedure. This ruling contemplates a two-year (2013-2014) bridge portfolio for Energy Efficiency (EE) programs, and seeks comment on the proposed schedule and the approach to developing EE goals for the bridge portfolio. My intent with the bridge cycle is to begin a transition away from programs that offer only temporary and shallow energy savings—such as incentives for basic compact florescent light bulbs (CFLs)—and toward deeper retrofits, EE financing, reduction in the number and complexity of EE programs, a more focused Marketing, Education and Outreach program, and more reforms.

I remain convinced that EE should be the State's top priority resource, but I believe we can and should do a better job of making EE programs understandable, successful and cost-effective. This ruling provides guidance on the structure of EE programs for a bridge period, seeks parties' input, and anticipates a prompt Commission decision that describes what the bridge period

programs should be. I will issue a second ruling that more specifically describes our current program and proposes changes next month.

2. Background

In recent months the Public Goods Charge (PGC) and Public Purpose Program (PPP), two major funding sources for EE activities, have been temporarily or permanently suspended. The electric PGC and portions of the 2011 and 2012 natural gas PPP surcharge collectively account for over 40% of the current portfolio funding. I previously determined that Phase III of this proceeding would be used to address the Commission's response to these disruptions. These changes in the funding landscape—and the state of the economy overall—also give the Commission good reason to maximize the depth, long-term energy savings and cost-effectiveness of our EE programs through modifications to the current portfolio. My intent is to ensure that all future funding, including funding in a bridge cycle, maximizes ratepayer benefits.

Decision (D.) 09-09-047 authorized a suite of EE programs and activities for the 2010-2012 period. On May 27, 2011, the assigned Administrative Law Judge (ALJ) issued a ruling seeking comments on bridge funding and the mechanics of portfolio extension. In comments, some parties expressed conditional support for bridge funding if the Commission updated its *ex ante* planning assumptions; others argued against any changes to the *ex ante* assumptions; and still others asked for major changes to the EE portfolios during the "bridge" period.[1] The

[1] "*Ex ante* data" refers to predicted energy savings, EE measure cost, and net-to-gross assumptions used for program planning and goals forecasting purposes, as opposed to *ex post* data, which refers to evaluated data used to assess the historical program performance. The Investor-Owned Utilities (IOUs), Natural Resources Defense Council (NRDC), Local Government Sustainable Energy Coalition, and National Association of Energy Service Companies seek an "extension" of the current portfolio, with no change

benefit of updating our *ex ante* assumptions is to ensure our portfolio planning is based on the best available information and realistic energy savings expectations. And the *ex ante* values truly need to be updated; the current values are based on pre-2006 data, and it makes no sense to base investments in EE in 2013 and beyond on such stale information.

3. Discussion

3.1. The 2013-2014 Bridge Portfolio

I believe a two-year bridge cycle will provide parties and the Commission the opportunity to make significant changes to the EE portfolios during the cycle, and still provide time to evaluate these changes before we launch the next full EE portfolio cycle. I would also like to consider beginning "rolling" cycles that include some "evergreen" programs (programs that do not require a new application every two or three years). Having start-stop program cycles, many of which contain the same programs cycle after cycle, seems wasteful, and having to review the entire program portfolio with every new cycle imposes heavy burdens on the Commission, parties, and program implementers.

A two-year bridge period is preferable for two additional reasons. First, two years will allow time for the Commission to conduct a broader review of our cost-effectiveness framework and incorporate changes into the policy direction for the post-2014 (i.e., post-bridge) portfolio. The assigned ALJ recently issued a

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to the *ex ante* planning assumptions. The Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN) ask the Commission to have the IOUs adjust their portfolios to reflect updated *ex ante* data. DRA and TURN also seek changes to the EE program portfolios to deemphasize lightbulbs and appliance recycling and increase emphasis on financing programs.

ruling seeking comment on this effort.[2] Second, the additional year will facilitate our efforts to collaborate with the California Energy Commission (CEC) on the development and implementation of the Assembly Bill (AB) 758 program[3] in the post-bridge portfolio. Therefore, I propose a two-year bridge cycle with the significant portfolio adjustments discussed here. Parties may comment on this recommended approach as directed below.

3.2. Policy Direction for the Bridge Portfolio

I propose the following steps to achieve more market transformation and better long-term energy savings in our EE programs:

1. Reduce or Eliminate CFL Incentives

The Commission has already attempted to deemphasize the use of incentives to subsidize basic lighting. Two years ago, in D.09-09-047, the Commission recognized that "with standard CFLs fast becoming accepted in the market, the advent of new lighting standards makes the upcoming budget cycle an opportune time to initiate a phased reduction in basic CFL subsidies and to scale up utility efforts on advanced lighting products."[4] The findings of the 2006-2008 upstream lighting evaluation report also found that customers would have made significant use of basic CFLs even in the absence of EE funding.[5] While lighting still delivers significant energy savings, increasing efficiency

[2] See October 5, 2011 ALJ Ruling on Updates and Adjustments to Energy Efficiency Avoided Cost Inputs and Methodology.

[3] AB 758 directed the CPUC and CEC to implement programs designed to achieve deep energy savings from retrofits in residential and non-residential buildings.

[4] D.09-09-047, *mimeo,* at 139.

[5] KEMA/The Cadmus Group, "Final Evaluation Report: Upstream Lighting Program," February 8, 2010, available at: www.calmac.org/publications/FinalUpstreamLightingEvaluationReport_Vol1_CALMAC_3.pdf.

standards for light bulbs will make current CFL incentives less important. Therefore, I anticipate little if any reliance on basic CFL incentives in the 2013-2014 bridge portfolios.

2. Reconsider the Appliance Recycling Program

Recent findings from evaluation of the ratepayer-funded Appliance Recycling Program (ARP) and a recent Department of Energy (DOE) report provide helpful information on the continued value of appliance recycling. Data from the 2006-2008 ARP evaluation indicate that both per-unit refrigerator energy use and the associated savings from removal have declined significantly since 2002.[6] A recent DOE report[7] also indicates that refrigerators manufactured after 1993 do not use appreciably less energy than new standard (non-Energy Star) units, so there are fewer energy savings garnered from replacing newer refrigerators. Secondary market dealers interviewed for the 2006-2008 evaluation report indicate that little resale value exists for refrigerators more than ten years old. If destroying post-1993 refrigerators yields fewer savings, and if older refrigerators likely would be taken out of circulation because they lack resale value, perhaps the ARP program, as currently designed, should be reconsidered.

3. Increase Deep Retrofits through Financing

We are not achieving significant retrofits either in the commercial or residential sectors, despite the fact that deep retrofits represent a significant

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[6] 2006-08 Residential Retrofit High Impact Measure Evaluation Report, February 2010, Section 11, available at: http://www.calmac.org/publications/FinalResidentialRetroEvaluationReport_11.pdf.

[7] Refrigerators made in 1993 use only 1/6th more energy than the average unit made today, as opposed to about 3/5th more for those made before 1993. U.S. DOE, "Refrigerator Market Profile 2009," at 1-7, available at: http://apps1.eere.energy.gov/states/pdfs/ref_market_profile.pdf.

source of untapped energy savings potential and are consistent with the goals set forth in the Energy Efficiency Strategic Plan.[8] Consistent with the policy set forth in D.09-09-047 and our statutory mandate to achieve greater EE in existing buildings under AB 758, financing should be an area of particular emphasis during the bridge period.[9] We need to find ways to better leverage scarce public dollars and attract private capital to increase EE adoption. The embrace of on-bill financing programs in the current portfolio demonstrates that there is a great deal of interest in EE financing.[10] On July 13, 2011, Commission staff issued a consultant report summarizing potential financing options.[11] I would like the parties to build upon those options to shape the bridge portfolio.

4. Use Ex Post Numbers for Program Planning

As the Commission has already recognized, *ex post* evaluation results should be used for future program planning purposes, including the 2013-2014 bridge period[12] Actual energy savings from the previous portfolio evaluations should help determine the next cycle of EE programs and how much energy

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[8] California Long-Term Energy Efficiency Strategic Plan, at 18-21 and 34-37.

[9] Public Resource Code 25943(a)(1) states the CEC shall establish a program that will "achieve greater energy efficiency in existing residential and non-residential structures that fall significantly below the current standards of Title 24 [building efficiency standards]." Public Utilities Code Section 381.2(a) states that the Commission "shall investigate the ability of electrical corporations and gas corporations to provide various energy efficiency financing options to their customers for the purposes of implementing the program" developed by the CEC.

[10] For example, SCE recently requested increased funding for its 2010-2012 on-bill financing program. SCE Advice Letter 2628-E, filed Sept. 12, 2011.

[11] Harcourt, Brown and Carey, "Energy Efficiency Financing in California: Needs and Gaps, Preliminary Assessment and Recommendations," July 2011, available at: www.cpuc.ca.gov/NR/rdonlyres/B0EBFCA6-22B5-408D-96B8-6490A5A38939/0/EEFinanceReport_final.pdf.

[12] D.08-07-047, at 33-35.

savings those programs likely will garner.[13] Thus, to the greatest extent possible, the 2013-2014 bridge portfolios should incorporate *ex post* data from completed evaluations of the 2006-2008 cycle as well as new evaluations of the 2010-2012 program activity.

5. *Greater Focus on Water-Energy Nexus Programs*

Recent pilot programs and research studies explored the goal of reducing energy consumption in the water sector – the so-called "water-energy nexus." Given the large amount of energy required for the treatment, heating, and conveyance of water, an emphasis during the bridge period on programs that can maximize savings in this area seems warranted. Examples of energy saving measures we should emphasize include leak-loss detection in the distribution system of water utilities and enhancement of water systems efficiency (especially where there is energy or water/energy savings).[14]

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[13] As set forth in D.10-12-049, at 37, IOUs should modify their portfolios based on the best available information from evaluation studies, after "the review process has run its course and numbers are adopted as final."

[14] "Embedded Energy in Water Studies Pilot Impact Evaluation" (March 9, 2011, ECONorthwest), available at: http://www.cpuc.ca.gov/NR/rdonlyres/51BF9A0B-42C9-4104-9E71-A993E84FEBC8/0/EmbeddedEnergyinWaterPilotEMVReport_Final.pdf; "Embedded Energy in Water Studies: Study 1: Statewide and Regional Water-Energy Relationship" (August 31, 2010, GEI Consultants/Navigant), available at: ftp://ftp.cpuc.ca.gov/gopher-data/energy%20efficiency/Water%20Studies%201/Study%201%20-%20FINAL.pdf; "Embedded Energy in Water Studies: Study 2: Water Agency and Function Component Study and Embedded Energy-Water Load Profiles" (August 31, 2010, GEI Consultants/Navigant), available at: ftp://ftp.cpuc.ca.gov/gopher-data/energy%20efficiency/Water%20Studies%202/Study%202%20-%20FINAL.pdf; and "Embedded Energy in Water Studies: Study 3: End-use Water Demand Profiles" (April 29, 2011, Aquacraft, Inc.), available at: ftp://ftp.cpuc.ca.gov/gopher-data/energy%20efficiency/Water%20Studies%203/End%20Use%20Water%20Demand%20P.

Current water pricing may not accurately reflect the true energy costs associated with water conveyance and usage. There may be instances where water utilities do not actively manage their energy usage and simply pass costs through to water customers, suggesting that a traditional "rebate" style program may not be the most appropriate way to increase energy savings in the water context. Therefore, we may need to expand our efforts to develop more creative ways to achieve energy savings related to water usage. In comments, parties are asked to propose and critique additional strategies to overcome barriers to deployment and adoption of EE in the water-energy context.

6. Increased Use of Local Government and Third Party Programs

Several parties have urged us over several EE program cycles to increase the number of EE programs overseen and carried out by local governments and third parties who administer program separately from the utilities. I seek input on which new and continuing programs would be appropriate for such treatment in the bridge cycle, as well as input on how those programs have helped or can help us achieve the deep retrofit goals to which I refer above. I also seek input on how non-utility administered programs should be selected, what kinds of cost-effectiveness characteristics they should exhibit, and how we should make tradeoffs or otherwise harmonize desires for these programs simultaneously with the desire for uniform statewide programs and possibly a smaller number of programs.[15]

[15] For the 2010-2012 portfolio, we have 12 statewide programs using 63% of portfolio funds, 22 "local" utility-administered programs using 3% of funds,
87 state and local government partnerships using 10% of funds, and 113 third-party programs using 20% of funds.

7. Lessening of Number and Complexity of EE Programs

The refrain I have heard as much as any since taking over the EE proceedings is that there are too many programs, that the programs are too complex, and that simplification of the Commission-authorized suite of programs could go a long way to increasing energy savings and increasing the numbers of customers that take part in the programs. However, I need more specific information on what programs should be cut, consolidated or simplified, and those programs' contribution (or lack of contribution) to energy savings.

What would be most helpful would be a plan laying out all of the programs parties recommend, with budgets, energy savings, and implementers. Currently the Commission obtains this information solely from the utilities' multi-year EE budget and program applications. These portfolios are structured based on Commission guidance that specifies many parameters to be met, such as overall energy savings targets, a portfolio-level cost-effectiveness requirement, consistency with the Strategic Plan, a requirement to bid a minimum of 20% of the budget out for proposals by non-utility third-party program administrators, and direction to include local government and state agency partnerships where there are unique opportunities for efficiency or implementation approaches that can be captured. I welcome concrete suggestions on a better way to construct such portfolios.

4. Scope of Phase IV

Phase IV of this proceeding will address both the 2013-2014 bridge portfolios and include guidance for the post-2014 portfolio. I seek comment on whether—both for the bridge cycle and thereafter—rather than renewing an entire EE portfolio with each new cycle, programs that demonstrate cost-effective energy savings and/or market transformation benefits should be "evergreened"

and allowed to continue until ended. Further, rather than approving all programs at once and having them end all at once, I seek input on whether the Commission should have rolling EE program cycles, so that different programs end in different years. Below I suggest a schedule for comments on this approach and other issues. Finally, while I anticipate that the Commission will open a new Order Instituting Rulemaking to address the post-2014 period, I believe some work should go into planning now. Thus, Phase IV will include in its scope planning for the period after 2014.

4.1. Cost-Effectiveness

Public Utilities Code Sections 454.5(b)(9)(C) and 454.56(b) require the IOUs to meet unmet electrical and natural gas resource needs through the available energy efficiency and demand reduction resources that are cost effective, reliable, and feasible. We are addressing updates to cost-effectiveness in two phases. By ruling dated October 5, 2011, the assigned ALJ requested parties' input on an Energy Division proposal to update and adjust avoided cost inputs and methodologies. The October 5, 2011 ruling initiated the first phase of the cost-effectiveness update (CE-1), in which we will align EE avoided cost calculations with methods the Commission uses for other demand-side resources. I propose using the CE-1 updates for programs offered during the bridge period.

The second phase of the cost-effectiveness update (CE-2) will be broader. Among other things, we will consider the appropriate cost tests to apply to the range of EE programs considered in the portfolio planning process.[16] Current cost-effectiveness tests appear to produce results that favor shallow EE measures

[16] December 23, 2010 ACR Regarding 2010-2012 Energy Efficiency Program Cycle, p.7.

such as CFLs, appliance recycling and other short term measures.[17] As part of the second phase of the update we will review new or alternative cost-effectiveness frameworks or methodologies that capture the costs and benefits of long-term market transformation activities. Such frameworks may be necessary to capture, to the extent possible, non-energy benefits not already included in current cost tests. The Commission's Energy Division shall prepare and release for comment by December 2011 a report on the proposed CE-2 framework, and develop a model that captures the appropriate costs and benefits by June 2012. If adopted by the Commission, the CE-2 process can be used for the post bridge period.

4.2. EE Potential and Goals Update Study

Public Utilities Code Sections 454.55 and 454.56 require the Commission, in consultation with the CEC, to identify potentially achievable cost-effective electricity and natural gas efficiency savings and establish efficiency targets for electrical or gas corporations to achieve. The current utility-specific energy savings goals, established in D.04-09-060, extend only through 2012 and need to be updated for the 2013-2014 bridge period. D.04-09-060 established annual and cumulative electric energy (kilowatt), demand (megawatt), and natural gas (therm) goals that the IOUs used to design their EE portfolios. In D.08-07-047, the Commission established interim 2012-2020 goals on a total market gross (TMG) basis for use in the implementation of AB 32[18] and procurement

[17] This may be an artifact of the TRC test itself, or of the assumptions and/or inputs used in evaluating EE programs, rather than in flaws in the TRC methodology itself.

[18] Global Warming Solutions Act of 2006.

planning.[19] TMG goals provide an appropriate metric for load forecasting and greenhouse gas emission reduction baselines.[20] However, D.08-07-047 deferred adoption of utility-specific goals until a subsequent update, because the Commission determined that post-2012 portfolios should incorporate information from the 2006-2008 impact evaluation studies and the resulting updates to the Database on Energy Efficiency Resources (DEER).[21]

The Commission's Energy Division contracted with Navigant Consulting (Navigant) to conduct an EE potential and goals update study. The Energy Division is vetting the study through the Demand Analysis Working Group, a collaborative stakeholder forum established in 2009 by the CEC and the Commission to address technical issues associated with aligning CEC demand-forecasting and the Commission's EE goals modeling efforts.[22] Energy Division shall prepare and issue for comment Navigant's draft EE potential study in November 2011 and the final potential study by the end of 2011.

This study will provide the technical analysis assessing the cost-effective energy savings potential available in the state's building stock and industrial

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[19] D.08-07-047, at 2. "Total Market Gross" means the expected energy savings from all types of energy efficiency activities, including legislative initiatives, and naturally occurring savings such as price and market effects, as well as IOU programs.

[20] D.08-07-047, at 14.

[21] D.08-07-047, ordering paragraph 5, states: "The 2012 through 2020 interim goals shall be updated and utility portfolio goals shall be established after the 2006-2008 Impact Evaluation studies are completed…. The assigned Commissioner and/or Administrative Law Judge may adjust the schedule for updating and establishing new energy savings goals for 2012 through 2020."

[22] Members include CEC, CPUC, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Southern California Gas Company, Los Angeles Department of Water and Power, Sacramento Municipal Utility District, TURN, DRA, NRDC, and other stakeholders.

sector, using a methodology that is consistent with prior studies aimed at establishing energy savings goals. The draft potential study will use the proposed avoided costs identified in the October 5, 2011, assigned ALJ ruling. Navigant is expected to incorporate parties' comments and finalize its study in time for the updated *ex ante* parameters to be available time for use in the bridge portfolio programs.

Due to the compressed time schedule for approving a bridge portfolio, we will identify goals for 2013-2014 using the best available information. In addition to the points made earlier in this ruling, factors to consider in determining the 2013-2014 goals include: (a) the goals adopted in D.04-09-060 and D.08-07-047, (b) current program saving achievements, (c) the 2011 potential study results, and (d) the *ex ante* update, including DEER (see next section). Specific proposals for the 2013-2014 goals will be prepared by Energy Division and released for comment in November 2011. Parties may comment on approaches to establishing goals for 2013-2014, so as to inform Energy Division's proposals, in comments on this ruling.

Energy Division also plans to have Navigant prepare a separate long-range goals study for the period 2013 to 2024. Whereas the potential study is a technical forecast of cost-effective EE potential, the goals study is a policy analysis based on different scenarios of key policy and market drivers that could influence goal-setting for the IOUs. Scenarios will include ranges of achievable market potential, attribution of savings to utility programs versus other key market drivers, and the projected impacts of legislative initiatives, future codes and standards changes, Strategic Plan initiatives, and financing, among other market drivers. The goals study, which will incorporate the results of the CE-2

update and be completed by Navigant after the potential study, will be used as the basis for the post-bridge portfolios.

4.3. Ex Ante Update

As a consequence of adopting a two-year bridge cycle, a critical near-term need will be vetting and adopting *ex ante* data sets for use in planning the bridge portfolio. As previously stated, we will strive to incorporate results from the most current evaluations. The focus should be on the *ex ante* updates on High Impact Measures (HIMs) and changes having the biggest impact on savings potential.

The DEER will be updated by the Commission's Energy Division to reflect all relevant and sufficiently supported data and results from the 2006-2008 evaluation activities. A draft DEER update will be released for comment in November 2011 and I plan to ask the Commission to consider a final DEER update in the bridge portfolio guidance decision early next year. A stakeholder meeting for Energy Division to present the draft DEER update and answer parties' clarifying questions will be held on November 17, 2011, in Southern California.

Non-DEER measure *ex ante* values based upon 2010-12 IOU workpapers also need to be updated. The process for establishing the non-DEER and custom *ex ante* data sets shall be as follows:

- The utilities' non-DEER workpaper measures that are explicitly included in the DEER update shall be retired in favor of the updated DEER values. The draft DEER update will indicate which of the non-DEER workpaper measures are now in DEER and which will be retired.
- The utilities' non-DEER workpapers that are based on DEER values or methods covered by the DEER update shall be updated, giving priority to HIMs. Utilities shall identify HIMs and work with Energy Division, beginning

November 5, 2011, to update those workpapers with the DEER values or methods adopted in the bridge guidance decision. These revised workpapers shall be filed with the utilities' bridge applications.

- Utility non-DEER workpapers that include measures not covered by the DEER update should be updated to incorporate the recent evaluation results, giving priority to HIMs. Utilities shall identify HIMs and work with Energy Division, beginning November 5, 2011, to update those workpapers to include applicable 2006-2008 evaluation results. These revised workpapers shall be filed with the utilities' bridge applications.
- Utility custom measures or project calculation tools or methods that are based upon DEER values or methods covered by the DEER update must also be updated. The custom *ex ante* review process adopted in D.11-07-030 shall continue.
- If the utilities add new measures to the bridge portfolio in their bridge applications or after the bridge period begins, they must follow the new measure workpaper Phase 2 review process, as set forth in the November 18, 2009, ALJ ruling in A.08-07-021 et al.

4.4. Bridge Portfolio Programmatic Guidance

Using results from the draft potential study, the 2006-2008 evaluation activities, and other sources, the Commission's Energy Division shall prepare a staff proposal for bridge portfolio guidance. In addition to the portfolio changes signaled above, this guidance will recommend changes expected to deliver deeper, longer-term energy savings. The staff's programmatic guidance proposal will be issued for comment no later than mid-November 2011, and will be put before the Commission for consideration as part of the bridge portfolio guidance decision.

4.5. Post-Bridge Process Reforms

In various comments in this proceeding over the past year, several parties have encouraged the Commission to explore reforms to improve the EE regulatory process, reduce controversy and contentiousness, simplify programs, reduce the number of programs, and make other changes that improve the transparency, effectiveness and savings attributable to our EE programs. Suggestions include using rolling cycles and evergreening certain programs, as noted above. In order to make progress on this important issue, the Energy Division should begin working with the parties now in an attempt to find common ground on reform proposals, and to develop proposals for consideration on the record.

5. Proposed Schedule

The proposed schedule for the bridge and post-bridge periods is set forth below. Parties may suggest modifications to the proposed schedule in their comments on this ruling.

5.1. Bridge Schedule

Date	Milestone
October 27, 2011	Comments on October 5, 2011 ruling.
14 days from issuance of this Ruling	Comments on this Phase IV Scoping Memo.
November 2011	Ruling requesting comment: draft *ex ante* update, draft potential study, and Energy Division proposal(s) for 2013-2014 energy savings goals.
5 days from due date for opening comments on this Ruling	Reply comments on this Phase IV Scoping Memo.
November 5, 2011	IOU non-DEER workpapers: IOUs begin working with Energy Division to incorporate updated DEER values or methods and

Date	Milestone
	applicable 2006-2008 evaluation results.
November 7, 2011	Reply Comments on October 5, 2011 ruling.
Mid November	Ruling requesting comment: draft programmatic guidance.
November 17, 2011	Stakeholder meeting to review draft DEER update.
November 18, 2011	Comments on proposal(s) for 2013-2014 energy savings goals.
December 2, 2011	Comments on draft programmatic guidance, draft *ex ante* update, and draft potential study.
Late December 2011	Proposed Decision on Bridge Portfolio Guidance, establishing *ex ante* data sets, cost-effectiveness, 2013-2014 energy savings goals, and programmatic guidance.
Late December 2011	Release of final *ex ante* dataset and final potential study.
Mid January 2012	Comments and Replies on Proposed Decision.
Late January 2012	Final Decision on Bridge Portfolio Guidance.
Late April 2012	IOUs file Bridge Applications, including updated IOU non-DEER workpapers incorporating updated DEER values or methods and applicable 2006-2008 evaluation results.
June 2012	Comments and Replies on Bridge Portfolio Applications.
July 2012	Proposed Decision on Bridge Portfolio Applications.
August 2012	Final Decision on Bridge Portfolio Applications.
September 2012	Compliance Advice Filing (if necessary).
January 1, 2013	Bridge Portfolio Implementation Begins.

5.2. Post-Bridge Schedule

Date	Milestone
Q4 2011	Ruling releasing for comment (CE-2): Energy Division report on a framework for Phase 2 cost-effectiveness update.
Q2 2012	Ruling releasing for comment: Draft Phase 2 cost-effectiveness model.
Q3 2012	Ruling releasing for comment: draft goals study.
Q4 2012	Proposed/Final Decision on Post-Bridge Portfolio Guidance.
Q3 2013	IOUs file Post-Bridge Portfolio Applications.

Q3 2014	Proposed/Final Decision on Post-Bridge Portfolio Applications.
January 1, 2015	Post-Bridge Portfolio Implementation Begins.

IT IS RULED that:

1. The scope of Phase IV of this proceeding is established as described herein.
2. Parties shall file comments on this ruling within 14 days of its issuance.
3. Comments shall not exceed 15 pages in length.
4. Parties shall file reply comments, which shall not exceed 10 pages in length, no later than 5 days after filing of opening comments on this ruling.
5. Pursuant to the authority granted in D.08-07-047, ordering paragraph 5, the timeframe for a goals update decision is extended until December 2012.
6. This proceeding will be completed within 18 months of the date of this Scoping Memo.
7. This ruling and scoping memo shall also be served on the service list in Application 08-07-021 et al.

Dated October 25, 2011, at San Francisco, California.

/s/ MARK J. FERRON
Mark J. Ferron
Assigned Commissioner