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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
CLARIFYING FUND SHIFTING RULES AND
REPORTING REQUIREMENTS**

1. Summary

In this Ruling, I clarify two items designed to facilitate the Commission's ongoing oversight of the utilities'¹ energy efficiency portfolios: the fund-shifting rules, which allow the utilities to shift energy efficiency program funding in and out of program categories, and the reporting requirements, which govern the information that utilities are required to present periodically to the Commission.

2. Background

Decision (D.) 09-09-047 vests authority in the Assigned Commissioner to "approve modifications to the Energy Efficiency Policy Manual and related

¹ In this Ruling, the term "utilities" refers collectively to Pacific Gas and Electric Company, San Diego Gas and Electric Company, Southern California Edison Company, and Southern California Gas Company.

rules.”² Under this authority, I am issuing this Ruling to clarify the fund-shifting rules and reporting requirements.

The text and ordering paragraphs of D.09-09-047 together require explanation to clarify the rules that govern the utilities’ ability to shift funds among and between program categories in their portfolio. Recently, Commission staff have encouraged utility program managers to shift additional funds into certain high-performing programs, including on-bill financing. At least some utility representatives have responded that uncertainty about the fund-shifting rules in the most recent Energy Efficiency Policy Manual prevent them from making changes without further regulatory authority. Given this experience, additional clarity is needed in order to facilitate logical portfolio improvements with a minimum of uncertainty and delay during 2012 and beyond.

In addition, Commission staff routinely have developed reporting requirements for the utilities to ensure that the Commission and the public have up-to-date information about program performance. To finalize these requirements, Commission staff consult with utilities to ensure that the requested information is readily available. Staff have recently finalized the form and frequency of utility reporting requirements for purposes of oversight and monitoring.

To memorialize the new reporting requirement format and clarify the fund-shifting rules, I am issuing this Ruling, which makes minor clarifications and changes to Version 4.0 of the Energy Efficiency Policy Manual, as set forth in the Attachments to this Ruling.

² D.09-09-047, Ordering Paragraph 54.

3. Fund-Shifting Rules

Ordering Paragraph 43(b) of D.09-09-047 states:

“PG&E, SCE, SDG&E, and SCG shall file an Advice Letter for shifts of funds of more than 15% per annum within and between any of the twelve statewide energy efficiency programs, third-party programs, or governmental programs for the entire portfolio cycle.”

The text of D.09-09-047 further states:³

“We will apply a threshold of 15% per annum instead in order to balance the need for flexibility with our desire to see the 2010-2012 portfolios implemented as approved. We will define the term “category” to include the statewide program categories addressed in this decision (other than Codes and Standards and Emerging Technologies) so that, for example, a utility may not shift away more than 15% of statewide commercial program funds into statewide industrial programs without filing an advice letter.”

Ordering Paragraph 43(b) clearly designates third party programs and government programs as separate categories, in addition to the twelve statewide program categories, all of which are subject to the 15% fund-shifting limit. Thus, third-party programs, in aggregate, are the thirteenth category, with government programs, in aggregate, as the fourteenth category. This is consistent with the language in the text of the decision, which states that the definition of a “category” includes the statewide program categories, but it need not be limited to the statewide programs.

The decision is silent about the applicability of the 15% fund-shifting limit to local programs and on-bill and other financing programs. It is reasonable to

³ D.09-09-047, at 310.

assume that the Commission meant its fund-shifting rules to apply to the utilities' entire portfolios, consistent with prior practice⁴ and in order to make the limits on all of the named categories real and meaningful.

Therefore, in this Ruling, I clarify that a fifteenth category is designated, called "Other Programs," which includes both local programs and financing programs, as well as any other programs not otherwise categorized. It is reasonable to apply the 15% fund-shifting limit to this fifteenth-category, such that the rules apply to all categories of programs equally. This outcome allows flexibility, since fund-shifting among programs within this category may be done without the need for additional approvals, while ensuring that larger shifts of the magnitude addressed in D.09-09-047 (more than 15%) receive extra scrutiny.

The previous version of the fund-shifting rules was included as Table 8 in Appendix A of the current version (4.0) of the Energy Efficiency Policy Manual. Attachment A of this Ruling includes a new table that should supersede the previous version. Going forward, the utilities shall abide by the new fund-shifting rules included in this Ruling, unless and until the rules are amended by a future Assigned Commissioner's Ruling or Commission Decision.

4. Reporting Requirements

As mentioned above, Commission staff have finalized the reporting requirements for the 2010-2012 portfolio period. These requirements relate to the frequency and content of: utility monthly reports, quarterly reporting on cost caps and targets, quarterly reporting on fund shifting, quarterly reporting of utility Standardized Program Tracking databases, Program Implementation Plan updates, and Program Performance Metric annual reporting. These

⁴ Reflected in Version 3.0 and earlier versions of the Energy Efficiency Policy Manual.

requirements have been revised to reflect the programs that were adopted in the 2010-2012 portfolio period, to streamline and standardize the data that are submitted by the utilities, and to enhance transparent and clear reporting of utility program changes and accomplishments.

D.09-09-047 generally delegated to Energy Division staff to facilitate accomplishing the myriad tasks outlined in the decision, stating: “we expect Energy Division and the utilities to discuss and develop plans for the most effective ways to comply with these many directives within the human resources available.”⁵ In an effort to streamline and standardize reporting, templates were created in a collaborative effort with Commission staff and the utilities, to ensure that information requested by the Commission or its staff would be readily available at the appropriate intervals.

To enhance transparency, these templates will be maintained publicly by Commission staff under the “Guidance” tab of the Energy Efficiency Groupware Application (EEGA) website at <http://eega.cpuc.ca.gov>.

I endorse the use of these new reporting requirements, which are attached to this Ruling as Attachment B. These new rules supersede those that applied to the 2006-2008 program portfolios, and shall apply going forward unless and until they are amended by a subsequent Assigned Commissioner’s Ruling or Commission Decision.

⁵ D.09-09-047, at 321.

Therefore, **IT IS RULED** that:

1. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company and Southern California Gas Company shall comply with the energy efficiency portfolio fund-shifting rules reflected in Attachment A of this Ruling.

2. Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company and Southern California Gas Company shall comply with the energy efficiency portfolio reporting requirements reflected in Attachment B of this Ruling.

Dated December 22, 2011, at San Francisco, California.

/s/ MARK J. FERRON

Mark J. Ferron

Assigned Commissioner

ATTACHMENT A

ADOPTED FUND SHIFTING RULES, as modified by D.09-09-047, D.05-09-043, D.06-12-013, D.07-10-032, and Assigned Commissioner Ruling dated December 22, 2011 in R.09-11-014.

Fund Shifting Category	Shifts Among Budget Categories, Within Program	Shifts Among Programs, Within Category	Shifts Among Categories
Statewide Program	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> Advice letter required for shifts >15% between statewide, program categories in either direction (based on each category funding level) per annum. See rules below for shifting away from ET, ME&O, and C&S.
Third Party Programs (See Notes Below)	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> Advice Letter required for shifts >15% between statewide, program categories in either direction (based on total category funding level) per annum. Advice Letter is required if allocation to competitively bid programs falls below 20% of total portfolio funding.
Governmental Programs (See Notes Below)	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> Advice Letter required for shifts >15% between statewide, program categories in either direction (based on category funding level) per annum.
Other Programs (See Notes Below)	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> Advice Letter required for shifts >15% between statewide, program categories in either direction (based on category funding level) per annum.
Statewide C&S / ET / Marketing Education & Outreach (See Notes Below)	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> Advice Letter required for shifts that would reduce any of these programs by more than 1% of budgeted levels 	<ul style="list-style-type: none"> Advice letter required for shifts that would reduce any of these programs by more than 1% of budgeted levels.
Residential lighting Incentive Program for basic CFLs (sub-program under Statewide Residential Program)	<ul style="list-style-type: none"> No formal Commission review/approval required 	<ul style="list-style-type: none"> Funds cannot be shifted into the program; however, funds can be shifted out of the program. 	<ul style="list-style-type: none"> Funds cannot be shifted into the program; however, funds can be shifted out of the program.

ATTACHMENT A

Fund Shifting Category	Shifts Among Budget Categories, Within Program	Shifts Among Programs, Within Category	Shifts Among Categories
EM&V	Yes, within utility portion. Fund shifting between the utility and ED portions only with Assigned Commissioner or ALJ approval, in consultation with Joint Staff.	Not Applicable - Single Program	Assigned ALJ or Commissioner ruling required to shift funds out of EM&V by any amount.

Notes

- Any fund shifting will be shown on the quarterly fund shifting report which will be provided to the Energy Division beginning 7/1/10 (and every 90 days thereafter).
- No program or sub-program shall be eliminated except through the Advice Letter process.
- For adding new programs, except those chosen during a competitive process, an Advice Letter must be filed.
- “Third-Party Programs” include any third-party programs that are competitively bid and count towards the 20% competitive bidding requirement. In aggregate, these programs constitute a thirteenth category (in addition to the 12 statewide program categories), subject to the 15% fund-shifting rule requiring an Advice Letter if the amount transferred from this category is greater than 15% in either direction. Fund-shifting of any amount within this thirteenth program category is allowed without an Advice Letter.
- “Governmental Programs” include local government partnerships and state / institutional government partnerships. In aggregate, these programs constitute a fourteenth category (in addition to the 12 statewide program categories, and third-party programs), subject to the 15% fund-shifting rule requiring an Advice Letter if the amount transferred from this category is greater than 15% in either direction. Fund-shifting of any amount within this fourteenth program category is allowed without an Advice Letter.
- “Other Programs” include local programs, and on-bill and other financing programs. In aggregate, these programs constitute a fifteenth category (in addition to the 12 statewide program categories, third-party programs, and governmental programs), subject to the 15% fund-shifting rule requiring an Advice Letter if the amount transferred from this category is greater than 15% in either direction. Fund-shifting of any amount within this fifteenth program category is allowed without an Advice Letter.
- The 15% fund-shifting rule, requiring an Advice Letter if the amount transferred from this category is greater than 15% in either direction, is applied to the category funding level in the authorized budget adopted in the compliance filing pursuant to the most recent authorizing decision (or the decision itself, if there is no compliance filing).
- Utility program administrator may carryover/carryback funding during the current program cycle without triggering a review/approval process.
- Changes to incentive levels or modifications to program design (such as changes to customer eligibility requirements) will not trigger Energy Division or formal Commission review. Program administrators will notify the Commission of all incentive level changes that take place through the Program Implementation Plan Addendum process.
- Where an advice letter is required under these rules, absent a protest or written data request by Energy Division for additional information by the end of the 20-day protest period, the request will become effective on the twentieth day after filing.
- Marketing Education & Outreach and EM&V programs are subject to overall caps adopted in Section 4.5 of D.09-09-047. Program administrators may request fund shifting augmentations if they wish to increase budget caps. In addition, the fund shifting changes adopted in D.09-09-047 are not intended to change Section II, Rule 11 of the Energy Efficiency Policy Manual as applied to EM&V and ME&O spending below the adopted caps, nor to change the fund shifting rules for C&S or Emerging Technologies programs.

(END OF ATTACHMENT A)

ATTACHMENT B

2010-2012 Reporting Requirements for Energy Efficiency

Version: 01
Date: 08/04/11

INTRODUCTION

The section below summarizes the reporting requirements⁶ that are established for the 2010-2012 portfolio cycle and beyond, unless and until they are amended. This includes monthly, quarterly, and annual reporting requirements, as well as ad-hoc and tracking data reporting requirements. Dates are included through the 2010-2012 program period, but reporting should continue at the same regular intervals beyond this time period unless and until these rules are amended. Energy Division staff may grant reasonable extensions of the dates included herein, and will notify interested parties of relevant modified reporting dates.

I. Monthly Reports

Starting September 1, 2010, and each month thereafter, the utilities are required to submit a monthly status report using the MS Excel monthly reporting template. The report period for each monthly report will be *through the month prior the submittal date*. In other words, the September 1, 2010 report will represent program and portfolio activity through July 30, 2010.

a. Program Definitions

Energy Division asked the utilities to assign one of the values below for each program in the utility portfolio. This table would allow Energy Division staff to quickly group the monthly expenditure and energy savings data.

i. Target Sector

1. Agricultural
2. Commercial
3. Cross-Cutting
4. Industrial
5. Residential

ii. Implementer

1. IOU Core/Statewide
2. Local Government Partnership
3. Third/Local Party Implementer

⁶ All templates referenced in this document will eventually be stored under the "Guidance" tab of <http://eega.cpuc.ca.gov>

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- iii. Type
 - 1. Resource
 - 2. Non-Resource
 - iv. Category
 - 1. Codes and Standards
 - 2. Emerging Technologies
 - 3. Integrated Demand-Side Management
 - 4. Marketing Education and Outreach
 - 5. Market Transformation
 - 6. New Construction
 - 7. On-Bill Financing
 - 8. Retrofit
 - 9. Workforce Education and Training
 - 10. Zero Net Energy
 - v. Impact Type
 - 1. Custom and Deemed Impacts
 - 2. Custom Impacts
 - 3. Deemed Impacts
 - 4. Not Applicable
- b. Frequency
- The table below defines the current “Report Month” that each monthly report will cover and the corresponding due date.

Report Month	Monthly Report Due Date
July 2010	September 1, 2010
August 2010	October 1, 2010
September 2010	November 1, 2010
October 2010	December 1, 2010
November 2010	January 1, 2011
December 2010	February 1, 2011
January 2011	March 1, 2011
February 2011	April 1, 2011
March 2011	May 1, 2011
April 2011	June 1, 2011
May 2011	July 1, 2011
June 2011	August 1, 2011
July 2011	September 1, 2011
August 2011	October 1, 2011
September 2011	November 1, 2011
October 2011	December 1, 2011
November 2011	January 1, 2012

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Report Month	Monthly Report Due Date
December 2011	February 1, 2012
January 2012	March 1, 2012
February 2012	April 1, 2012
March 2012	May 1, 2012
April 2012	June 1, 2012
May 2012	July 1, 2012
June 2012	August 1, 2012
July 2012	September 1, 2012
August 2012	October 1, 2012
September 2012	November 1, 2012
October 2012	December 1, 2012
November 2012	January 1, 2013
December 2012	February 1, 2013

II. Quarterly Reports

a. Reports That Are No Longer Submitted

Energy Division reduced the amount of quarterly reporting in 2010-2012 in order to reduce the administrative burden of reporting and thus to lower administrative costs. This was also done to streamline the reporting process to reduce the amount of "source data" that is available. The following reports are no longer submitted by the utilities in 2010-2012: E3 output sheets, Quarterly Narratives, and Quarterly Spreadsheets.

b. Cap and Target Report

This report template was developed by the utilities. The report is supposed to be used to identify if a particular budget category is exceeding the percentage caps and target set by OP 13 of D.09-09-047. The report shows utility expenditures, third party expenditures and total portfolio expenditures, to-date, broken up by the following budget categories and sub-categories:

i. Administrative Costs

1. IOU
2. Third Party and Partnership

ii. Marketing and Outreach Costs

1. Marketing and Outreach
2. Statewide Marketing and Outreach

iii. Direct Implementation Costs

1. Incentives and Rebates
2. Non-incentives and Rebates
3. Target Exempt Programs

iv. EMV Costs

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c. Fund Shift Report

This report was developed by the utilities in coordination with Energy Division. This report lists every program in a utility portfolio and provides the following fields:

- i. 2010-2012 Authorized Budget
- ii. 2011 Authorized Budget
- iii. Roll Over from/Carry Forward to Previous Year
- iv. 2011 Operating Budget
- v. Funds Transferred In (Cumulative for Year)
- vi. Funds Transferred Out (Cumulative for Year)
- vii. Revised 2011 Operating Budget
- viii. Annual Fund Shift Threshold
- ix. Advice Letter Submitted & Approved

d. Frequency of Cap and Target and Fund Shifting Reports:

Quarterly Report Period	Quarterly Report Due Date
Q4 2010 - Through December 2010	March 1, 2011
Q1 2011 - Through March 2011	June 1, 2011
Q2 2011 - Through June 2011	September 1, 2011
Q3 2011 - Through September 2011	December 1, 2011
Q4 2011 - Through December 2011	March 1, 2012
Q1 2012 - Through March 2012	June 1, 2012
Q2 2012 - Through June 2012	September 1, 2012
Q3 2012 - Through September 2012	December 1, 2012
Q4 2012 - Through December 2012	March 1, 2013

III. Utility Tracking Data/ Standardized Program Tracking Data

The utility standardized tracking data will be the one source that is used for reporting utility accomplishments, evaluation sampling, and cost effectiveness calculations.

- a. Tracking Data Specifications for Q42010, Q1 2011, and Q2 2011 data
 - i. The data dictionary for the Q42010, Q1 2011, and Q2 2011 tracking data can be found at <http://eega.cpuc.ca.gov> under the "Guidance" tab.
- b. Tracking Data Specifications for Q32011 and on
 - i. The data specification for the Q3 2011 tracking dataset, and subsequent tracking datasets will use a different data specification that utilizes more lookup tables than the original data specification. The data specification will be posted under the "Guidance" tab of <http://eega.cpuc.ca.gov>.

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c. Frequency of Submittal of Tracking Data

Quarterly Report Period	Quarterly Report Due Date
Q4 2010 - Through December 2010	March 1, 2011
Q1 2011 - Through March 2011	June 1, 2011
Q2 2011 - Through June 2011	September 1, 2011
Q3 2011 - Through September 2011	December 1, 2011
Q4 2011 - Through December 2011	March 1, 2012
Q1 2012 - Through March 2012	June 1, 2012
Q2 2012 - Through June 2012	September 1, 2012
Q3 2012 - Through September 2012	December 1, 2012
Q4 2012 - Through December 2012	March 1, 2013

IV. Program Implementation Plans

a. Compliance Filing PIP

These are the PIPs that were filed as part of the utilities compliance filings

b. Red-Lined PIPs

These PIPs are the same as the “Current PIPs” but have tracked changes turned on

c. Current PIPs

The utilities re-submitted all of their PIPs in the beginning of 2011 (on 1/18/2011, 1/31/2011, and 2/28/2011). These will be the PIPs from which all future changes are based.

d. PIP Addendum Process

Starting in August 2011, the PIPs will be updated using a new PIP addendum process. The template below was developed in coordination with the joint utilities and with feedback from the ED planning team.

- i. Template and Trigger Definition – There are 11 situations that - when triggered – will require a PIP addendum be posted. These 11 “triggers” are defined in a document that can be found at <http://eega.cpuc.ca.gov> under the “Guidance” tab.

V. Program Performance Metrics Annual Reporting

a. Excel Template

The utilities and Energy Division worked on a template for reporting annual PPM’s. This template can be found at <http://eega.cpuc.ca.gov> under the “Guidance” tab.

b. Narrative Template

Each annual PPM report must include a narrative. The narrative template can be found at <http://eega.cpuc.ca.gov> under the “Guidance” tab.

(END OF ATTACHMENT B)