

ATTACHMENT 5

STATE OF CALIFORNIA

GRAY DAVIS, Governor

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



Date

Contact Person

Company Name

Address

City, State Zip

Proposal Title:

Sponsor Name:

Energy Division Proposal Reference Number:

Thank you for your energy efficiency program proposal in response to the California Public Utilities Commission Decision (D.) 01-11-066, in Rulemaking 01-08-028. The Commission values your involvement and efforts to promote long-term energy savings in California. As indicated in the draft decision issued on April 15, 2002, your proposal [has been recommended/has not been recommended] for 2002-2003 funding. This letter explains the review process in developing the recommended portfolio of local programs.

The Commission received nearly 300 proposals and Energy Division staff reviewed each proposal taking into account the criteria, associated point system, and other requirements established in D.01-11-066. Based on the policy objectives ratings alone, your proposal received a score of _____. This score reflects only the first part of the overall evaluation process.

The review process involved several stages of evaluation. First, at least two staff members reviewed and rated all the proposals in each utility territory. Second, other D.01-11-066 requirements (e.g., completeness and clarity of budget/timeline, qualifications of proposal sponsors, continuity with previous energy efficiency efforts) determined the initial short list of recommended proposals for further consideration.¹ Third, from this short list, staff developed the recommended portfolio of local energy efficiency programs. The following factors influenced the recommended final portfolio:

- **Rate class equity** - balance between residential and nonresidential programs in each service territory, considering the amounts of public goods charge (PGC) collections from each customer group, and targeting hard-to-reach customers;
- **Geographic equity** to serve traditionally underserved areas and where little infrastructure exists;
- **Creation of local infrastructure** for future delivery of energy savings programs;
- **Reasonableness of the scope of work** that could be managed by those firms that submitted multiple proposals;

¹ In general, proposals that made the initial short list have the attributes described on pages 11-12 of the Draft Decision. Proposals that did not make the short list generally presented little or no cost-effectiveness data, undefined or unclear performance goals, inadequate plans to address market barriers, unclear outreach plans for target market, and/or limited end-uses addressed or services offered.

ATTACHMENT 5

- **Effective use of emerging technologies** - to create a portfolio not heavily reliant on any single (traditional or new) efficiency measure while selecting some proposals that would showcase emerging technologies;
- **Budget** - reasonableness of budgets presented and to create a diverse portfolio not heavily reliant upon a single program; and
- **Utilities' estimated PGC collections cap** - to keep the entire expenditures for local programs in each service area within the estimated PGC collections.

Whenever proposals were similar, the preferred or chosen proposal offers greater comprehensiveness of service, stronger plans to reach target markets, clearer or more aggressive performance goals, higher level of local presence and infrastructure building, and/or more prudent budget.

Finally, based on the staff's recommendations and the record in this proceeding, the administrative law judge developed the table of proposals that were presented to the Commission in the draft decision.

Again, thank you for your participation. We recognize the time and effort that went into the development of all proposals submitted to us. We hope that this explanation of the process helps you in planning and preparing your future energy efficiency proposals with the Commission. If you have any further questions, please contact Sheila Otteson at (415) 703-2010.

Sincerely,

Paul Clanon
Director, Energy Division