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Item 31 12/18/2008

Decision **PROPOSED DECISION OF ALJ HECHT** **(Mailed 11/26/08)**

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U 338-E) for Approval of Demand Response Programs, Goals and Budgets for 2009-2011.	Application 08-06-001 (Filed June 2, 2008)
And Related Matters.	Application 08-06-002 Application 08-06-003 (Filed June 2, 2008)

DECISION ADOPTING BRIDGE FUNDING FOR 2009 DEMAND RESPONSE PROGRAMS

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DECISION ADOPTING BRIDGE FUNDING FOR 2009 DEMAND RESPONSE PROGRAMS

1. Summary

This decision allows Pacific Gas and Electric Company, Southern California Edison Company, and San Diego Gas & Electric Company (collectively, the investor-owned utilities (IOUs)) to expend funds to continue certain 2008 demand response programs until the Commission adopts a final decision on the IOUs' demand response activity and budget applications for 2009-2011. In addition, this decision authorizes several pilot programs to test the use of demand response to provide participating load to the California Independent System Operator (CAISO). This decision will ensure that California continues to get the benefits of existing IOU demand response programs to reduce peak electricity load until final programs for 2009-2011 can be adopted, and will provide valuable information on the potential for demand response to provide participating load after implementation of the CAISO's Market Redesign and Technology Upgrade.

2. Procedural Background

In Decision (D.) 06-03-024, the California Public Utilities Commission (Commission) approved demand response activities and budgets for Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) for 2006 through 2008, and required these IOUs to file IOU-specific demand response program and budget applications by June 1, 2008. On February 27, 2008, a Guidance Ruling provided specific instructions to the IOUs on the expected scope and contents of those applications. On April 11, 2008, Commissioner Rachelle B. Chong issued joint guidance with Commissioner Dian M. Grueneich on how joint energy efficiency

(EE) and demand response programs should be addressed in the demand response and EE program and budget applications. On June 2, 2008, the utilities filed the applications captioned above, Application (A.) 08-06-001 (by SCE), A.08-06-002 (by SDG&E), and A.08-06-003 (by PG&E).

On July 2, 2008, the Administrative Law Judge (ALJ) assigned to these applications issued a ruling that consolidated the applications and confirmed a due date of July 9, 2008, for protests or responses. Many parties filed protests or responses to these applications,[1] and all three IOUs filed replies on July 21, 2008. In addition, Commission staff performed a review of the applications to determine whether they comply with the requirements of the earlier guidance rulings. Energy Division staff also met with each IOU separately between June 27 and July 1, 2008, to describe general deficiencies in each application. The IOUs were also informed at that time that the ALJ would issue a ruling directing the deficiencies to be corrected.

On August 6, 2008, the assigned ALJ issued a ruling requiring the IOUs to file amended applications by September 8, 2008, correcting deficiencies in the originally filed applications. That ruling also required protests to those amended applications to be filed by September 18, 2008, and scheduled a prehearing conference (PHC) for September 24, 2008. A later ALJ ruling modified these

[1] The following parties filed protests or responses to applications A.08-06-001, et al.: the Alliance for Retail Energy Markets (AReM), the CAISO, California Large Energy Consumers Association, Chapeau Inc. dba Blue Point Energy (Bluepoint), ConsumerPowerline, Inc., the Division of Ratepayer Advocates (DRA), Ice Energy, Inc., Kinder Morgan Energy Partners LP, The Utility Reform Network (TURN), Transphase Inc., and jointly by Comverge Inc., EnerNOC Inc. (EnerNOC), and EnergyConnect, Inc.

deadlines, with the amended applications due September 19, 2008, protests and responses due on September 29, 2008, and the PHC on October 1, 2008.

On September 5, 2008, the IOUs filed a motion for funding and authorization to operate demand response programs and pilots in 2009 (the Bridge Funding Motion), requesting that the Commission issue a decision in November 2008 approving, among other things, the continuation of existing demand response programs and the implementation of certain demand response pilots in early 2009. A subsequent ALJ ruling extended the due date for comments on this motion to September 29, 2008, to enable parties to review the amended applications before responding to the motion.

The four parties[2] that filed responses to the Bridge Funding Motion were supportive of the concept of providing funding to continue at least some demand response activities through early 2009 while awaiting a decision on demand response activities for the remainder of the 2009-2011 period. Written responses to the motion also supported the immediate approval of at least some pilot programs in order to ensure that they will be operational by summer 2009. Specifically, the responses filed by CAISO, DRA, and EnerNOC to the Bridge Funding Motion support immediate action on requests for the creation of pilots that will allow demand response to operate as participating load under the CAISO's anticipated MRTU system. The IOUs filed replies to these responses on October 9, 2008. The ALJ assigned to this proceeding held a PHC on October 1, 2008, in which the Bridge Funding Motion was discussed in much detail. Party positions are described in more detail in Section 4, below.

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[2] The following parties filed responses to the Bridge Funding Motion: CAISO, DRA, EnerNOC, and San Francisco Community Power (SF Power).

On October 8, 2008, the ALJ in this proceeding issued a ruling requesting additional information from the IOUs in order to build a more complete record on the bridge funding issue. This ruling required the IOUs to file in this proceeding responses to data requests issued by Energy Division (and attached to the ruling), and allowed parties an opportunity to respond to the additional information in comments. The IOUs filed the requested information, and DRA and SF Power filed comments.

At the PHC, no parties objected to the possibility of expediting approval for bridge funding or participating load-related pilots. The scoping memo in this proceeding, issued on November 10, 2008, defined the scope and schedule for resolving the Bridge Funding Motion by the end of 2008 with the remainder of the proceeding taking place by summer 2009.

3. Summary of the Bridge Funding Motion

In the Bridge Funding Motion, the IOUs request that the Commission do the following:

1. Establish the 2009 demand response monthly revenue requirement for the Bridge Period as specified by each IOU in Attachment A to the motion;

2. Authorize the IOUs to undertake 2009-2011 program planning activities during the Bridge Period to minimize the impact of a delay in the final approval for the 2009-2011 program portfolios;

3. Approve implementation of and funding for the 2009 MRTU-related pilots and PG&E's Small Load Aggregation Pilot proposed in the IOUs' June 2, 2008 applications and in the IOUs' September 19, 2008 amended applications, and authorize the IOUs to begin work on the pilots as early as November 2008 to avoid delaying those pilots;

4. Approve and authorize funding for the IOUs to conduct Measurement & Evaluation (M&E), related to 2009-2011 planning and activities;

5. Apply the revenue requirement approved for each IOU in the final decision on the amended applications effective January 1, 2009 through existing authorized mechanisms for Demand Response funding;

6. Authorize the IOUs to shift up to 100% of funds between programs within the same budget category during the Bridge Period; and

7. Count the demand savings achieved during the Bridge Period toward any 2009 demand response goals adopted by the Commission.[3]

3.1. Continuation of Existing Demand Response Programs

IOU demand response programs authorized to operate during the 2006-2008 period will cease at the end of 2008 unless the Commission issues a decision authorizing IOUs to operate demand response programs in early 2009. In the Bridge Funding Motion, the IOUs request authority and funding to operate programs beginning on January 1, 2009, and continuing until the Commission issues a decision adopting programs for the remainder of 2009-2011 (the so-called "Bridge Period"). PG&E proposes to continue funding during the Bridge Period at the levels authorized for the programs in 2008; SCE and SDG&E request monthly funding amounts equal to historical average monthly spending

[3] "Motion of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company for Funding and Authorization to Operate Demand Response Programs and Pilots in 2009" (Bridge Funding Motion), September 5, 2008. p. 3.

during 2006-2008.[4] The IOUs propose recording the authorized amounts in their respective demand response balancing accounts, or in SDG&E's case, its demand response memorandum account. When a final decision on 2009-2011 budgets is issued, the IOUs recommend adjusting the bridge funding budget and revenue requirement recorded in the applicable demand response accounts to reflect demand response revenue requirement reflected in the final approved budgets.[5]

The IOUs assert that funding to operate demand response programs during "a Bridge Period provides a lifeline to [continue] existing programs pending authorization of programs for the next program cycle."[6] In the Bridge Funding Motion and subsequent statements and filings, the IOUs argue that authorization for bridge funding, while not optimal compared to issuance of a final decision authorizing programs for the full 2009-2011 period, will prevent the disruption of demand response programs while the Commission considers the IOUs' proposals for 2009-2011 in this proceeding.

The IOUs do not contemplate continuing all 2006-2008 programs during the Bridge Period, however. Instead the IOUs recommend that any program they proposed eliminating in the 2009-2011 applications should not receive bridge funding, and should be discontinued as of January 1, 2009. The programs that would be discontinued under the IOUs' bridge funding proposal are:

<u>SCE</u>: CAL-Demand Reserves Partnership (DRP)

Statewide Pricing Pilot

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[4] Bridge Funding Motion, Attachment A, footnotes.

[5] Bridge Funding Motion, p. 8.

[6] Bridge Funding Motion, p. 5.

Energy Smart Thermostat

Small Business Communicating Thermostat programs

PEAK

PEAK (meters)

Energy Efficiency/Demand Response (EE/DR) Integrated Program Tracking System[7]

SDG&E: Demand Bidding Program (DBP) - E[8]

Demand Bidding Program (DBP)

PG&E: Small Commercial Aggregation Pilot (SCAP)

CPA-DRP

E19/E20 Nonfirm Program

Technical Assistance/Technology Incentives Water Project

Community EE/DR Partnership Demonstration

Water Outreach

Statewide Pricing Pilot[9]

Some of these activities, including the Statewide Pricing Pilot, the CPA-DRP, and the E19/E20 Nonfirm Program, did not operate in 2008 because their

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7 Response of SCE to ALJ Ruling Requiring Additional Information, Attachment A, p. 2. October 15, 2008.

8 Response of SDG&E to ALJ's Ruling Requiring Additional Information, October 15, 2008, appendix.

9 PG&E's Responses to Energy Division Data Requests Regarding the Utilities' Bridge Funding Motion, October 15, 2008, Appendix A, p. 2.

authority had already expired. Other identified programs operated in 2008, and the IOUs do not propose continuing them during or after 2009.

3.2. Adoption of Pilots for Summer 2009

In addition, the IOUs request authority to implement several pilot programs, most related to testing the use of demand response as participating load once the CAISO implements its planned MRTU system. The IOUs assert that it will not be possible to implement participating load pilots in time for summer 2009 unless these pilots are authorized before the end of 2008, and propose to use unspent 2006-2008 demand response funding to support these programs. SCE asserts that beginning the MRTU participating load pilots is "a critical first step to preparing demand response programs for MRTU integration," and that this first step will be delayed unless MRTU-related pilots are approved by the end of 2008.[10] Only one pilot proposed for implementation in 2009, PG&E's Small Load Aggregation Pilot, is not directly related to MRTU, and according to PG&E, this pilot, too, should be implemented as soon as possible. PG&E asserts that the Small Load Aggregation Pilot "will not only inform DR [demand response] program design but also inform the market of the types of products needed to increase demand response from small commercial and industrial customers."[11] Without early approval of this pilot in the bridge funding decision, PG&E states that "small commercial and industrial customers

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[10] Reply of Southern California Edison Company to Responses to the Request of Southern California Edison for Funding and Authorization to Operate Demand Response Programs and Pilots in 2009 (SCE Reply), October 9, 2008, p. 5.

[11] Reply of Pacific Gas and Electric Company to Responses to [the Bridge Funding Motion] (PG&E Reply), October 9, 2008, p. 7.

will not benefit from this pilot through programs that are aligned with MRTU until 2012 at the earliest."[12]

3.3. Planning, Measurement, and Evaluation Activities

The IOUs request approval in a bridge funding decision to undertake planning, measurement, and evaluation activities related to 2009-2011 programs. The IOUs note that M&E activities related to the 2006-2008 programs should continue and be charged to the 2006-2008 demand response budgets. The IOUs further state that most of the M&E activities for which they require bridge funding are necessary in order for the IOUs to comply with D.08-04-050, which orders the IOUs to file demand response Load Impact Evaluations on April 1, 2009. The IOUs also propose to use bridge funding for planning activities such as contract negotiation and information technology planning.[13] Most of the proposed planning activities would support the continuation of existing programs through summer 2009; only SDG&E requests planning funds related to new programs proposed for 2009 and beyond.[14]

4. Positions of Parties

Four parties filed timely written responses to the IOUs' Bridge Funding Motion; all parties were given an opportunity to discuss their positions on the motion at the October 1, 2008, PHC. DRA and SF Power filed responses to the additional information filed by the IOUs on October 15, 2008, providing additional information requested by the assigned ALJ.

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[12] PG&E Reply, p. 7.

[13] Bridge Funding Motion, pp. 6-7.

[14] RT 24:17-25:8.

4.1. The Division of Ratepayer Advocates

In its initial response to the Bridge Funding Motion, and at the PHC, DRA generally supported the concept of bridge funding to avoid disruption of existing demand response programs in early 2009. Specifically, DRA supports the IOUs' request for authorization to continue some programs pending a decision adopting demand response programs for 2009-2011, but argues for limiting the funding in a number of ways. In its filed response to the Bridge Funding Motion, DRA urged the Commission to do the following:

1. Require IOUs to use unspent funds from the 2006-2008 demand response budgets to operate programs during the Bridge Period, and reduce any adopted bridge funding by the amount of unspent funds remaining at the end of 2008.

2. Limit funding to demand response programs expected to continue in 2009.

3. Adjust adopted budgets for bridge funding to support only demand response programs that are cost effective based on calculations of the Total Resource Cost test included in the IOUs' amended applications. DRA withdrew this as a requirement in its reply to the IOUs' responses to Energy Division data requests filed on October 15, 2008.

4. Approve pilot funding only for 2009 pilots related to MRTU implementation.

5. Seek additional information about the 2009 planning and M&E activities anticipated in the Bridge Funding Motion.

6. Leave in place the existing rules for fund-shifting among programs within the same budget category, which allow IOUs to reallocate up to 50% of funds authorized for a particular program to a program in the same budget category.

7. Delay a decision on whether to count demand savings achieved during the Bridge Period towards 2009 goals until such goals are adopted in Rulemaking (R.) 07-01-041 and/or until a decision on 2009-2011 programs is issued in this proceeding.

8. Direct the IOUs to report their monthly spending activities during the Bridge Period.

In response to the additional information filed by the IOUs in response to the ALJ's request, DRA withdrew its objection to bridge funding for programs that are not cost effective according to the Total Resource Cost test provided in the amended applications.

4.2. California Independent System Operator

In its initial response to the Bridge Funding Motion, and at the PHC, CAISO strongly supports the IOUs' request for authorization of participating load pilots to begin in summer 2009. In addition, CAISO supports the IOUs' request for funding and authorization to continue demand response programs during a Bridge Period, and PG&E's request to begin a small load aggregation pilot in summer 2009. Specifically, CAISO recommends that the Commission:

1. Approve the IOUs' request to begin planning activities for 2009-2011 programs during the Bridge Period.

2. Authorize the IOUs to operate 2009 pilot programs related to MRTU and small-load aggregation, and begin planning for those programs as soon as possible.

3. Approve the M&E activities as requested in the IOUs' Bridge Funding Motion.

4. Count demand savings during the Bridge Period towards any future demand response goals the Commission may adopt for 2009.

5. Allow the IOUs to make changes to existing demand response programs or apply for new programs through an Advice Letter process.

4.3. EnerNOC, Inc.

EnerNOC expressed strong support for the IOUs' Bridge Funding Motion both in its filed response and at the PHC. EnerNOC notes the bridge funding decision issued in the energy efficiency proceeding, and suggests that the same rationale applied in that decision for avoiding program disruption is applicable in this case.

4.4. San Francisco Community Power

SF Power's response to the IOU Bridge Funding Motion focuses on the IOUs' request to provide bridge funding and authority only for programs that are expected to continue in the 2009-2011 period. Specifically, SF Power notes that based on this principle, PG&E does not ask for bridge funding for the SCAP pilot, which SF Power asserts is not yet complete. SF Power notes that this would effectively end support for the SCAP pilot, which SF Power operates and wishes to continue, before there is a chance for a thorough review of the program in the context of the full applications. In addition, SF Power argues that PG&E has not fully supported this program, and is using its bridge funding request as an opportunity to end the pilot early without allowing SF Power to provide services to all enrolled customers, or to determine the pilot's results. SF Power objects to this disruption of the SCAP program, and asks the Commission to provide bridge funding for the program so it can be more fully reviewed in the main portion of this proceeding. SF Power does not directly address other issues raised in the Bridge Funding Motion.

4.5. Other Parties' Positions

All active parties to this proceeding were represented at the PHC held on October 1, 2008, and were given an opportunity to comment on the Bridge Funding Motion. No parties expressed objections to authorizing continuation of at least some existing programs during a Bridge Period. Similarly, no parties objected to the request that a bridge funding decision authorize implementation of some pilot programs for summer 2009. Certain parties, including TURN, expressed concerns about a bridge funding decision authorizing new programs, rather than the continuation of existing programs.[15] Several parties, including the California Demand Response Coalition and the Energy Users' Forum, expressed strong support for pilots related to MRTU and participating load. Overall, despite some minor differences among parties on the appropriate boundaries for the specific programs and pilots that should receive bridge funding, there was significant agreement among parties on the need to continue existing programs, avoid complete disruption of the IOUs' demand response activities, and implement MRTU and participating load-related pilots by summer 2009. Parties also agreed to a shortened comment period on a proposed decision addressing bridge funding, to help ensure a decision before the end of 2008.

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[15] RT 29: 3-7.

5. Discussion of the Need for Bridge Funding

The parties agree that bridge funding is needed to ensure that no disruption occurs when authorization for demand response programs and funding expires at the end of 2008. It is in the public interest to provide a smooth transition for programs which are likely to continue into 2009 and beyond, in order to maintain contractual agreements, retain skilled workers, complete existing projects, and continue to gain the benefits of demand response programs for the state of California and its power grid.

The Commission has adopted bridge funding for IOU energy efficiency programs in the past. Most recently, the Commission issued D.08-10-027 adopting bridge funding to ensure the continuation of energy efficiency programs after the authorization for 2006-2008 programs expires on January 1, 2009. It is reasonable to do the same for existing demand response programs.

In order to achieve continuity and assure a smooth transition to the 2009-2011 programs, we must authorize bridge funding before the end of 2008. By the nature of the timing and limited scope of this matter, we cannot consider each bridge funding programmatic request and budget item in detail. It is critical that Energy Division's limited staff resources are devoted to evaluation of programs and budgets in the IOUs' 2009-2011 demand response applications in this docket.

As noted by several parties in their responses to the Bridge Funding Motion, there is also a strong rationale for immediate approval of pilot programs to operate in summer 2009. In order for a new demand response pilot to be operational by summer 2009, planning, marketing, and other related activities must begin as soon as possible. The rationale for ensuring that pilot programs can begin in 2009, rather than waiting for 2010, is strongest for MRTU-related participating load pilots. These pilots are expected to provide valuable experience and data that can be used to improve the design of future participating load activities, and to better integrate demand response with the CAISO's wholesale market under MRTU. The next section analyzes the major requests made in the Bridge Funding Motion.

6. Analysis of Bridge Funding Requests

6.1. Continuation of Existing Demand Response Programs

In general, we agree with the IOUs and other parties that programs the IOUs do not intend to continue in 2009 need not be continued or funded during the Bridge Period. One main reason for issuing this decision is to avoid disruption of existing programs that are expected to continue in the future; disruption is not an issue for programs that are not expected to continue.

For all but one of the programs listed in Section 3.1 above, no party objects to the IOUs' proposal to discontinue these programs in 2009. In the case of the SCAP program, however, SF Power strongly objects to the proposal to discontinue this program, and argues that PG&E has not supported this pilot program as required in previous Commission decisions authorizing this pilot. It is not possible to thoroughly review this program in today's decision, or to determine here the merits of continuing (or discontinuing) this program through 2009 or beyond. Based on the SF Power objections, it is appropriate to review the merits of continuing this program during the main portion of this proceeding. It would not be appropriate to eliminate funding now for a program that we may decide to continue during 2009. Elimination of funding during this Bridge Period would undermine the ability to continue this pilot if the Commission ultimately decides to continue it in 2009. For this reason, we authorize sufficient funding to continue the SCAP program during the Bridge Period, along with funding at the requested levels for all programs that the IOUs propose to continue during the 2009 through 2011 period. Unfortunately, SF Power does not provide a specific estimate of funding needed to keep SCAP operating during 2009, so we adopt $3,000 per month, the amount proposed by PG&E in its reply to SF Power's response to the Bridge Funding Motion.

Unlike the requests of the other IOUs, PG&E's request reflects funding for incentives associated with specific programs separately from the monthly operational budgets for those programs, and provides monthly estimates for some programs in 2009 that vary by month. SCE and SDG&E provided their budget requests in a different format that included the incentives payments with other costs and calculated an average monthly budget. The two formats seem to request funding for comparable activities and incentives, and it is reasonable to approve the requested amounts, despite the differences in request format. This decision shows the approved demand response funding for PG&E using average monthly budgets that are more comparable to the SCE and SDG&E request formats.

PG&E also requests funding for two specific programs that do not currently exist, the "IDSM Clearinghouse" and "Integrated Sales Training." Our purpose in this decision is to continue existing demand response activities, not adopt new activities, so funding for these programs is not approved at this time.

The approved budgets for continuation of existing activities during the Bridge Period are included in the budget tables in Section 6.5, below. These tables reflect the requested funding amounts for most items, with small variations to correct mathematical errors.

6.1.1. Late SCE Request for additional Technical Assistance and Technology Incentives Funding

In opening comments on the proposed decision, SCE requested a significant increase in their previous request for funding of their Technical Assistance and Technology Incentives (TA/TI) program. SCE states that their original estimate that $275,722 per month would be adequate to continue this program during the Bridge Period is not correct. SCE explains that the original estimate was based on monthly expenditures for TA/TI activities during the 2006-2008 period, but does not account for approximately $12.75 milion that is currently committed to qualifying customer projects. SCE estimates based on past experience that approximately 20% of commitment reservations will be released because the projects are not completed before the reservation period expires; even so, this leaves approximately $10 million in existing commitments to be funded over the next 18 months. SCE argues that the previously requested budget will not allow SCE to respond to customer demand for TA/TI services, and may not even allow SCE to serve customers with existing project commitments under the program during the Bridge Period. In order to meet existing commitments, SCE estimates a need for $216,000 per month beyond the $275,722 originally requested, for a total monthly funding of $491,722 and an annual budget of $5,900,664 (up from $3,308,664).

It is not clear why SCE did not account for already-committed funds when it originally estimated the funding it would need during the Bridge Period. Commitments made during 2006-2008 should be funded with 2006-2008 funds, and SCE could have accounted for these commitments in its calculations. It is not appropriate to change a request and introduce new facts in support of that change in comments on a proposed decision. We support the continuation and adequate funding for TA/TI activities, however, we deny SCE's request to increase its TA/TI funding during the Bridge Period. SCE's belated request and failure to raise this concern until after the PD had been issued for comment does not allow parties an opportunity to address the appropriateness of accounting for committed but as-yet unspent funds in setting a Bridge Period budget, and does not allow this Commission to develop an adequate record to support additional funding. This decision approves the amounts originally requested for TA/TI activities by SCE in the Bridge Funding Motion.

6.2. Adoption of Pilots for Summer 2009

In addition to continuing existing programs to avoid disruption, the IOUs request authority to begin immediate implementation of several pilot programs proposed to begin in summer 2009. No parties raised objections to the Commission authorizing the MRTU-related pilot programs at this time, and many parties expressed strong support for implementing these pilots as soon as possible in order to ensure that data from these pilots is available to inform design of future demand response programs under the planned MRTU system. One of PG&E's proposed pilots, the Small Customer Enabling Technology Pilot, does not appear to be directly related to MRTU, and an additional two of PG&E's proposed pilots, the Commercial and Industrial Renewables Integration pilot, and the Plug-in Hybrid Renewables project, are somewhat related to MRTU but do not appear to be directly related to participating load. Our priority for summer 2009 pilots is to explore participating load, and it is reasonable to defer the three pilots that do not focus on participating load until they can be more thoroughly reviewed in the main portion of this proceeding. We do not authorize these three pilots for summer 2009.

In addition, the IOUs have not offered detailed information on the operation of the MRTU-related proposed pilots. The IOUs also have not offered detailed explanations of the proposed costs of these pilots. Both of these gaps suggest a need for a cautious approach; however, we also believe that it is important to begin gathering information that will help us transition demand response programs to align with the planned MRTU. The IOUs are currently working with the CAISO to determine the specific operational characteristics of the participating load pilots, and we do not want to disrupt this work or discourage quick progress towards demand response programs that will operate well within MRTU.

To address this tension, we approve the pilot programs most closely related to participating load under MRTU at the requested budget levels for 2009, and direct the utilities to provide detailed implementation plans for each approved pilot to Energy Division staff within 45 days of this decision. Because we believe it to be very important to fully monitor and evaluate the progress of these programs, we direct the IOUs to provide all data and background information used in monitoring and evaluation projects to Energy Division, subject to appropriate confidentiality protections. In addition, we direct the IOUs to provide appropriate subsets of these data to vendors and academic researchers selected by the Commission or the California Energy Commission, such as the Demand Response Research Center (under appropriate confidentiality protections, as needed) to conduct additional monitoring and evaluation projects.

The approved budgets for pilot activities are included in the budget tables in Section 6.5, below.

6.3. Planning, Measurement, and Evaluation Activities

The IOUs request authority and funding to undertake measurement and evaluation during the Bridge Period. As noted in section 3.3, above, most of the M&E activities for which the IOUs request authority and funding are necessary in order for the IOUs to comply with D.08-04-050, which orders the IOUs to file demand response Load Impact Evaluations on April 1, 2009; other M&E activities are already funded through the 2006-2008 budgets. Both SCE and PG&E request planning funds to support these M&E activities, and to support existing programs that are expected to continue through summer 2009. SDG&E also requests some planning funds that it intends to use in preparing for new programs it proposes to offer in 2009 through 2011.

It is reasonable to authorize the IOUs to continue M&E activities for existing programs that we are authorizing to continue during the Bridge Period, in order to ensure adequate planning and monitoring of these ongoing activities. It is also reasonable to provide the IOUs with funding to perform M&E and planning for Load Impact Evaluation activities mandated by previous Commission decisions. Because we are not yet authorizing new programs for 2009 through 2011, however, it is not reasonable to allow IOUs to spend money to begin planning and other activities such as contract negotiation for proposed programs that have not been (and may not be) approved. Because it is difficult to determine from the information in the record the exact amount of M&E and planning funds that SDG&E expected to use to support new programs, it is not possible to separate this amount out and approve funding only for Load Impact Evaluation and planning for continuation of existing activities. Given this, we approve the full amount of M&E and planning funding requested by all three

IOUs, but we specify that IOUs shall limit their M&E and planning activities during the Bridge Period to supporting existing programs or conducting previously required projects such as the Load Impact Evaluation.

The approved budgets for planning and M&E activities are included in the budget tables in Section 6.5, below.

6.4. Use of Previously Unspent Funds

All three IOUs report that at the beginning of 2009, they expect to have unspent and uncommitted funds remaining from their 2006-2008 budgets. PG&E and SDG&E each estimate unspent and uncommitted funds from 2006-2008 available for use during the Bridge Period at approximately $16 million, while SCE estimates having approximately $1.2 million remaining. As suggested by DRA, we authorize the IOUs to use their unspent 2006-2008 funds to support activities conducted during the Bridge Period, and require the IOUs to exhaust their unspent funds before using additional ratepayer funding.

6.5. Approved Budgets

We approve the following budgets for the IOUs' demand response programs during the Bridge Period:

Table 6-1

Southern California Edison	Authorized Bridge Funding	
	Monthly	Annual
Specific Programs		
Critical Peak Pricing	$12,478	$149,736
Scheduled Load Reduction Program	$ 243	$2,916
Capacity Bidding Program	$89,481	$1,073,772
Demand Bidding Program	$45,283	$543,396
Summer Discount Plan (ACCP)	$1,539,176	$18,470,112
Base Interruptible Program	$66,057	$792,684
Agriculture Pumping and Interruptible (AP-I)	$31,880	$382,560

Southern California Edison	Authorized Bridge Funding	
	Monthly	Annual
Technical Assistance and Technology Incentives (TA/TI)	$275,722	$3,308,664
Integrated EE/DR Marketing	$25,634	$307,608
Integrated EE/DR Partnership	$16,660	$199,920
Ag and Water Outreach	$4,734	$56,808
Federal Power and Reserves Partnership	$2,299	$27,588
EnerNOC	$250,000	$3,000,000
AutoDR	$76,947	$923,364
Category 1 Total	$2,436,594	$29,239,128
Statewide Informational, Educational, and Development Programs		
Flex Your Power Now	$133,140	$1,597,680
Emerging Markets and Technologies	$59,462	$713,544
Category 2 Total	$192,602	$2,311,224
Other Activities and Programs		
Specific Program M&E	$77,900	$934,800
M&E Supporting Activities	$2,078	$24,936
Demand Response Systems Integration	$33,333	$399,996
Category 3 Total	$113,311	$1,359,732
Programs Previously Funded in GRC		
I-6 Large Power Interruptible (Transitioned to BIP December 2008)	$44,715	$536,580
Optional Binding Mandatory Curtailment	$4,878	$58,536
Rotating Outages Management	$9,571	$114,852
DR Systems Support	$15,690	$188,280
Category 4 Budget	$74,854	$898,248
Total	$2,817,361	$33,808,332
Participating Load Pilot	$300,000	$3,600,000
Total including Pilot	$3,117,301	$37,408,332

Table 6-2

Pacific Gas and Electric	Authorized Bridge Funding	
	Monthly	Annual
Specific Programs		
Demand Bidding Program	$89,333	$1,071,996

Pacific Gas and Electric	Authorized Bridge Funding	
	Monthly	Annual
Critical Peak Pricing	$102,000	$1,224,000
Capacity Bidding Program	$128,083	$1,536,996
Business Energy Coalition	$385,333	$4,623,996
Base Interruptible Program	$30,000	$360,000
Optional Binding Mandatory Curtailment/Scheduled Load Reduction Program	$3,000	$36,000
Aggregator Managed Portfolio	$ 77,000	$924,000
AutoDR	$407,333	$4,887,996
Technical Assistance and Technology Incentives (TA/TI)	$30,000	$360,000
Integrated Audits	$30,000	$360,000
Permanent Load Shifting	$3,000	$36,000
Integrated EE/DR Marketing – DR Core Marketing and Outreach	$267,000	$3,204,000
Integrated EE/DR Marketing – Integrated Marketing and Outreach	$28,000	$336,000
Integrated EE/DR Marketing – Integrated Education Marketing	$6,000	$72,000
PeakChoice	$316,750	$3,801,000
Education and Training (includes General Education and Awareness)	$42,000	$502,000
Category 1 Total	$1,944,832	$23,337,984
Statewide Informational, Educational, and Development Programs		
Statewide Demand Response Awareness Campaign	$267,000	$3,204,000
DR Emerging Technologies	$66,000	$792,000
PEAK	$61,000	$732,000
Category 2 Total	$394,000	$4,728,000
Other Activities and Programs		
Measurement and Evaluation	$296,000	$3,552,000
Demand Response Online Enrollment	$199,000	$2,388,000
InterAct	$286,000	$3,432,000
Category 3 Total	$781,000	$9,372,000
Total	$3,119,832	$37,437,984
Pilots		
Small Commercial Aggregation Pilot (SF Power)	$3,000	$36,000

Pacific Gas and Electric	Authorized Bridge Funding	
	Monthly	Annual
Smart AC Ancillary Services Pilot	$124,500	$1,494,000
Commercial and Industrial Ancillary Services Pilot	$166,666	$2,000,000
Pilots Total	$294,166	$3,530,000
Total Including Pilots	$3,413,998	$40,967,984

Table 6-3

San Diego Gas & Electric	Authorized Bridge Funding	
	Monthly	Annual
Specific Programs		
Base Interruptible Program	$13,000	$150,000
PeakDay 20/20	$27,000	$328,000
Capacity Bidding Program	$77,000	$924,000
CPA-Demand Reserves Partnership	$1,000	$7,000
Critical Peak Pricing-E	$4,000	$49,000
Demand Bidding Program	$41,000	$492,000
V-Critical Peak Pricing Program	$11,000	$129,000
Category 1 Total	$173,000	$2,076,000
Technical Assistance and Technology Incentives		
Technical Assistance	$124,000	$1,488,000
Technology Incentives	$103,000	$1,236,000
Category 2 Total	$227,000	$2,724,000
Statewide Informational, Educational, and Development Programs		
Circuit Saver	$21,000	$252,000
Community Partnership	$12,000	$144,000
Customer Education and Outreach	$123,000	$1,476,000
Emerging Markets	$22,000	$264,000
Flex Your Power Now	$34,000	$408,000
Kwickview	$14,000	$168,000
Peak Student	$16,000	$192,000
Category 3 Total	$242,000	$2,904,000
Other Activities and Programs		
Annual Report	$2,000	$24,000

San Diego Gas & Electric	Authorized Bridge Funding	
	Monthly	Annual
Market Research	$9,000	$108,000
Information Technology	$40,000	$480,000
General Administration	$55,000	$660,000
Measurement and Evaluation	$4,000	$48,000
Category 4 Total	$110,000	$1,320,000
Total	$752,000	$9,024,000
Participating Load Pilot	$313,000	$3,756,000
Total including Pilot	$1,065,000	$12,780,000

As explained in Section 6.4, above, each IOU's revenue requirement for the Bridge Period will be lower than the budget projected in the relevant table above because IOUs shall use unspent funds from 2006-2008 before spending additional ratepayer funds. The exact amount of unspent and uncommitted funds that will be available to each utility is not yet known; by January 25, 2009, each IOU shall file an advice letter reporting the amount of unspent and uncommitted 2006-2008 funds available for Bridge Period activities, estimating the date on which those funds will be exhausted, and showing the remaining revenue requirement for Bridge Period activities by month and for all of 2009. For PG&E and SCE, the revenue requirement for the Bridge Period will be calculated by subtracting the unspent and uncommitted funds as of January 1, 2009, from the total authorized bridge funding. Unlike PG&E and SCE, SDG&E's unspent and uncommitted 2006-2008 authorized funds have not yet been collected, so SDG&E may use a different methodology in its to determine its revenue requirement for the Bridge Period and incorporate that amount into its memorandum account.

The Bridge Period will begin on January 1, 2009, and will extend on a month-to-month basis thereafter as provided in Section 9 of this decision. To the extent that authorized Bridge Period expenditures exceed the available unspent funds, we approve the IOUs' proposal to record Bridge Period expenditures up to the total budget limits over the duration of the Bridge Period in each company's demand response balancing account (for PG&E and SCE) or memorandum account (for SDG&E). This will allow for fund shifting among program budgets during a given month as permitted in this decision, and will provide reasonable flexibility while maintaining the total monthly budget limit over the duration of the Bridge Period. When a final decision on 2009-2011 programs is adopted, the IOUs will adjust their applicable demand response accounts to reflect the demand response revenue requirement authorized in that decision.

7. Additional Issues

7.1. Fund Shifting Rules

In the Bridge Funding Motion, the IOUs request authority to reallocate as much as 100% of the funds authorized for a particular program to another program in the same budget category. DRA objected to making this change in a bridge funding decision, and notes in its response to the IOUs' additional information submitted in response to the ALJ request that PG&E agrees to keep the existing fund-shifting rules for demand response activities. We conclude that it is neither necessary nor appropriate to change the existing fund-shifting rule at this time, especially without a more thorough review than is possible here of the implications of the proposed modification, which could allow IOUs to discontinue individual demand response activities unilaterally. During the Bridge Period, we will retain the existing fund-shifting rules for demand response adopted in D.06-03-024; under these rules, IOUs may reallocate up to

50% of funds authorized for a particular program to a program in the same budget category.

7.2. Demand Response Goals

The IOUs request that in this bridge funding decision we allow the IOUs to count any peak energy savings that result from Bridge Period activities towards any goals that the Commission may adopt for 2009. DRA objects to this request, and suggests that this issue be deferred until the Commission adopts such goals in R.07-01-041 or until a decision on 2009-2011 programs is issued in this proceeding.

It is not necessary to address this issue at this time. We will defer our determination on whether savings from Bridge Period activities count towards demand response goals to a future decision in this proceeding or in R.07-01-041.

7.3. Use of Advice Letters to Modify Activities

CAISO proposes that the Commission explicitly grant the IOUs authority to modify existing demand response programs or even create new programs using an advice letter process. CAISO suggests that allowing IOUs to alter programs using an advice letter process would facilitate program changes that would allow demand response programs to better accommodate the planned MRTU.

It is not necessary to address this issue at this time. Changes to demand response activities that may be needed in the near future should have been included in the demand response applications. Whether or not advice letters are an appropriate vehicle for making changes to demand response activities after the Bridge Period ends and activities for the full 2009-2011 period are adopted is an issue that can be resolved in the future decision adopting those programs.

8. Approval of Bridge Funding Does Not Prejudge Future Commission Decisions on Demand Response Activities

Our grant of 2009 authorization to operate and fund the existing demand response activities listed in Section 6.5, above, is not equivalent to approval of the programs themselves, and should not be construed as a guarantee of continued funding in the 2009-2011 portfolios or as a judgment on the merits of the individual programs. Whether or not each program should continue for 2009-2011 after the Bridge Period ends will be determined in a future Commission decision in this proceeding. The pilots approved in this decision are adopted to operate during 2009 only, and continuation of those or similar programs in 2010-2011 is contingent on approval in a future Commission decision.

9. Transition Period

As several parties have pointed out, the utilities cannot begin implementation of new or modified demand response activities or contracts until the terms of the 2009-2011 demand response activities are finalized by the Commission. Because some demand response programs operate primarily in the summer months and customers traditionally commit to these programs at the beginning of a year or season, the IOUs are concerned that a lengthy bridge funding period will make it difficult to provide customers with sufficient information to encourage enrollment in new programs in time to provide optimal benefits during 2009. At the same time, IOUs emphasize that continuing the operation of existing programs approved for bridge funding provides less than optimal opportunities to gain peak energy savings to increase the reliability and efficiency of the California electricity system in 2009. Given these conflicting considerations, we find it is in the public interest both to avoid a hiatus in programs (through the authorization of bridge funding), and to take the time necessary to ensure that the programs adopted for the remainder of the 2009-2011 period will be well-designed and properly implemented and marketed. It is better to start later with an excellent portfolio than to rush forward without sufficient deliberation.

To ensure continuity from the Bridge Period to the final adopted 2009-2011 demand response activities, bridge funding will not be open-ended. The Bridge Period shall end no later than three months after the effective date of a final decision on 2009-2011 demand response activities in this docket, or on December 31, 2009, whichever comes first. The final decision in this proceeding adopting 2009-2011 demand response activities may modify the three-month transition period to ensure a smooth adjustment by both the IOUs and their customers to any new or modified programs.

10. Reporting Requirements

In its response to the Bridge Funding Motion, DRA recommends that the IOUs be required to provide monthly reports on their demand response expenditures. The IOUs are already providing similar reports, called Monthly Interruptible Load Reports, and we require the IOUs to continue to report their monthly program expenses through these reports through the Bridge Period.

11. Categorization and Assignment of Proceeding

In Resolution ALJ-176-3215, dated June 12, 2008, the Commission preliminarily categorized these proceedings as ratesetting, and preliminarily determined that hearings were necessary. The assigned Commissioner is Rachelle B. Chong and the assigned ALJ is Jessica T. Hecht.

12. Comments on Proposed Decision

As discussed above, at the PHC for this proceeding on October 1, 2008, all parties agreed to a shortened comment period on a proposed decision addressing the Bridge Funding Motion. The proposed decision of the ALJ in this matter was mailed to the parties on November 26, 2008, and the comment period was shortened in accordance with Section 311(d) of the Pub. Util. Code, which states in relevant part that "The Commission shall issue its decision not sooner than 30 days following filing and service of the proposed decision by the assigned commissioner or the administrative law judge, *except that the 30-day period may be reduced or waived… upon the stipulation of all parties*." (Emphasis added.) Comments were allowed not later than December 8, 2008, under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on December 8, 2008, by SCE, SDG&E, PG&E, SF Power, and CAISO, and reply comments were filed on December 15, 2008, by PG&E, SCE, EnerNOC, and North American Power Partners. The comments filed by SF Power and CAISO expressed support for the proposed decision; the opening comments from the IOUs support the decision with some modifications.

In its comments, SCE requested that the proposed decision be modified to clarify the procedures for recording the final demand response revenue requirements in the IOUs' demand response balancing accounts and to correct some errors in Table 6-1, which contains the funding for demand response programs during the Bridge Period. Technical corrections and clarifications have been made to the decision in response to these comments, and several mathematical errors have been corrected in the budgets adopted in Table 6-1. SCE also requests that the Commission increase the amount of funding available to support the TA/TI programs during the Bridge Period from the amount originally requested; this request is addressed in the new Section 6.1.1. above. The reply comments of North American Power Partners support the request of SCE to increase TA/TI funding.

Like SCE, PG&E requests several specific corrections to the table that enumerates the funding for its demand response activities during the Bridge Period. PG&E also suggests language to clarify 1) how unspent and uncommitted funds from the 2006-2008 demand response programs cycle will offset the demand response funding authorized in the bridge decision, and 2) that four of PG&E's proposed pilots are related to MRTU, and only one is not. Technical corrections and clarifications have been made to the decision to address these comments, and several mathematical errors have been corrected in the budgets adopted in Table 6-2.

The comments filed by SDG&E renew the request made in the Bridge Funding Motion that the Commission explicitly state that any and all load reduction results achieved during the Bridge Period count towards the demand response load reduction goals for 2009. SDG&E repeats arguments already addressed in the proposed decision. SDG&E's arguments are not persuasive, and we have not modified our discussion of this issue in Section 7.2 of this decision, which defers this issue to a future commission decision. SDG&E also proposes some minor corrections to the PD, and clarifies its demand response ratemaking process, which differs from the processes used by SCE and PG&E. Technical corrections and clarifications have been made to the decision to address these comments.

Findings of Fact

1. Bridge funding is needed to ensure that no disruption occurs when authorization for demand response programs and funding expires at the end of 2008.

2. The IOUs have proposed certain existing demand response programs previously approved by the Commission to continue during the bridge funding period.

3. Disruption is not an issue for programs that are not expected to continue past the end of 2008.

4. The IOUs have proposed several new pilot programs to operate during summer 2009.

5. In the future, demand response programs will function within the planned MRTU.

6. In order to transition programs to function under MRTU it is necessary to begin Participating Load-related pilot projects as soon as possible.

7. The proposed pilots will provide valuable experience and data that can be used to improve the design of future participating load activities, and to better integrate demand response with the CAISO's wholesale market under MRTU.

8. In order for new demand response pilot programs to be operational by summer 2009, planning, marketing, and other related activities must begin as soon as possible.

9. The IOUs have not offered detailed information on the operation of the proposed pilots or detailed explanations of their proposed budgets.

10. Preparation of a detailed implementation plan for the approved pilots will allow the Commission to closely monitor the implementation and evaluation of these pilots, and increase their value for future program planning.

11. The provision of all data and background information used in monitoring and evaluation of the pilot projects to Energy Division, will assist the Commission in monitoring the pilot programs and improving the compatibility of future demand response activities with the planned MRTU.

12. Sharing appropriate pilot-related data subsets with a vendor and academic researcher selected by the Commission or the California Energy Commission, such as the Demand Response Research Center, will further assist the Commission in monitoring the pilot programs and improving the compatibility of future demand response activities with the planned MRTU.

13. The SCAP program operated by SF Power within the PG&E service territory was adopted by the Commission in D.06-03-024, and extended in D.06-11-049.

14. Three of PG&E's proposed pilots are not directly related to participating load under MRTU.

15. SF Power objects to the elimination of funding for the SCAP during this Bridge Period.

16. Elimination of funding for the SCAP program during the Bridge Period would undermine the ability of this pilot to continue if the Commission ultimately decides to continue it in 2009.

17. Funding of $3,000 per month is sufficient funding to keep the SCAP operating until a decision is issued on 2009-2011 demand response activities.

18. The monthly and annual budgets listed in Section 6.5 of this decision are appropriate and sufficient for the operation of the programs approved in this decision for the Bridge Period.

19. Funding of M&E activities during the Bridge Period is necessary to enable IOUs to comply with D.08-04-050, which orders the IOUs to file demand response Load Impact Evaluations on April 1, 2009.

20. Other M&E activities are already funded through the 2006-2008 budgets.

21. Funding for planning activities associated with continuing approved demand response in 2009 and implementing pilot programs adopted in this decision is necessary in order to support these programs during the Bridge Period.

22. Funding for planning activities related to demand response proposals that have not yet been adopted is neither necessary nor appropriate.

23. SCE, PG&E, and SDG&E will have unspent and uncommitted funds from their 2006-2008 budgets available for use during the Bridge Period.

24. Authorization to operate and fund existing demand response activities during a Bridge Period is not equivalent to approval of the programs themselves, and is not a guarantee of continued funding in the 2009-2011 portfolios or a judgment on the merits of the individual programs.

25. At the PHC for this proceeding on October 1, 2008, all parties agreed to a shortened comment period on a proposed decision addressing the Bridge Funding Motion.

26. Fund-shifting rules for 2006-2008 demand response activities were adopted in D.06-03-024.

27. The IOUs are currently required to provide monthly reports on demand response activities through their Monthly Interruptible Load Reports.

Conclusions of Law

1. It is in the public interest to provide a smooth transition for existing demand response programs which are likely to continue into 2009 and beyond,

in order to maintain contractual agreements, retain skilled workers, complete existing projects, and continue to gain the benefits of demand response programs for the state of California and its power grid.

2. In order to achieve continuity and assure a smooth transition to the 2009-2011 programs, we should adopt bridge funding before the end of 2008.

3. It is in the public interest both to avoid a hiatus in programs (through the authorization of bridge funding), and to take the time necessary to ensure that the programs adopted for the remainder of the 2009-2011 period will be well-designed and properly implemented and marketed.

4. It is reasonable to require the IOUs to provide detailed implementation plans for each approved pilot to Energy Division staff within 45 days of this decision.

5. It is reasonable to approve the requested pilot programs that are most closely related to participating load at the requested budget levels for 2009.

6. In order to transition programs to function under MRTU, it is in the public interest to begin pilot projects related to participating load as soon as possible.

7. It would not be appropriate to eliminate funding now for a program that we may decide to continue during 2009.

8. It is reasonable to authorize $3,000 per month to continue the SCAP program during the Bridge Period.

9. It is reasonable to require SCE, PG&E, and SDG&E to use unspent and uncommitted funds from their 2006-2008 budgets during the Bridge Period.

10. It is reasonable to provide the IOUs with funding to perform M&E and planning for programs and pilots that we approve for the Bridge Period, and for Load Impact Evaluation activities mandated by previous Commission decisions.

11. It is reasonable to limit funding for M&E and planning activities during the Bridge Period to supporting existing programs or conducting previously required projects such as the Load Impact Evaluation.

12. It is reasonable to retain the existing fund-shifting rules for demand response during the Bridge Period.

13. It is not necessary to address whether savings count towards 2009 goals at this time.

14. It is not necessary to address in this decision whether or not advice letters are an appropriate vehicle for making changes to demand response activities after the Bridge Period.

15. It is reasonable to require the IOUs to continue to report their monthly program expenses through their Monthly Interruptible Load Reports during the Bridge Period.

16. This order should be effective today in order to ensure that no disruption to demand response activities occurs when previously approved funding expires on December 31, 2008.

O R D E R

IT IS ORDERED that:

1. The motion filed on September 5, 2008 by Southern California Edison Company, (SCE) Pacific Gas and Electric Company (PG&E), and San Diego Gas & Electric Company (SDG&E) (collectively, the investor-owned utilities (IOUs)) requesting 2009 funding for demand response programs and pilots is approved with the following modifications:

   a) The Small Commercial Aggregation Pilot program shall continue during the bridge funding period (Bridge Period).

b) The existing fund-shifting rules shall be retained during the Bridge Period.

c) The IOUs shall use unspent and uncommitted funds from their 2006-2008 budgets during the Bridge Period before using additional ratepayer funds.

d) During the Bridge Period, the IOUs shall only conduct planning activities related to measurement & evaluation activities, programs, and pilots approved to operate during the Bridge Period.

e) The IDSM Clearinghouse and Integrated Sales Training activities and the Small Customer Enabling Technology Pilot, Commercial and Industrial Renewables Integration Pilot, and the Plug-in Hybrid Renewables project proposed by Pacific Gas and Electric Company are not approved to operate during the Bridge Period.

f) The Bridge Period shall end three months after the effective date of a decision on demand response programs for the remainder of 2009-2011 in this docket, or December 31, 2009, whichever comes first.

g) The average monthly budgets approved for each IOU program and pilot are as shown in Tables 6-1 through 6-3 in Section 6.5 of this decision.

2. By January 25, 2009, each IOU shall file an advice letter reporting the amount of unspent and uncommitted 2006-2008 funds available for Bridge Period activities, estimating the date on which those funds will be exhausted, and showing the remaining revenue requirement for Bridge Period activities by month and for all of 2009, based on the budgets adopted in this decision.

3. The IOUs shall provide detailed implementation plans for each approved pilot to Energy Division staff within 45 days of the effective date of this decision.

4. The IOUs shall provide all data and background information used in monitoring and evaluation projects to Energy Division, subject to appropriate

confidentiality protections. In addition, the IOUs shall provide appropriate subsets of these data to vendors and academic researchers selected by the Commission or the California Energy Commission, such as the Demand Response Research Center (under appropriate confidentiality protections, as needed) to conduct additional monitoring and evaluation projects.

5. When a final decision on 2009-2011 programs is adopted, the IOUs shall adjust their applicable demand response balancing accounts (or, in case of SDG&E, memorandum accounts) to reflect the demand response revenue requirement authorized in that decision effective January 1, 2009.

6. The IOUs shall continue to report their monthly program expenses through their Monthly Interruptible Load Reports through the Bridge Period.

This order is effective today.

Dated ______________________, at San Francisco, California.