

DRAFT

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
I.D. # 10530
ENERGY DIVISION **RESOLUTION E-4396**
July 28, 2011

R E S O L U T I O N

Resolution E-4396. Southern California Edison (SCE) Advice Letter (AL) 2533-E, and Pacific Gas and Electric (PG&E) Advice Letter (AL) 3768-E, and California Center for Sustainable Energy (CCSE) Advice Letter 13 (AL), collectively the California Solar Initiative (CSI) Program Administrators.

PROPOSED OUTCOME: This Resolution (1) grants the CSI Program Administrators a modified 2-Step application review process, (2) denies the change to a 1-Step application review process, and (3) approves all other CSI Program Handbook changes.

ESTIMATED COST: \$0

By SCE Advice Letter (AL) 2533-E, filed on December 3, 2010,
Substitute Sheet filed on December 7, 2010.

By PG&E Advice Letter AL 3768-E, filed on December 3, 2010.

By CCSE Advice Letter AL 13, filed on December 3, 2010.

SUMMARY

This Resolution grants some changes to the California Solar Initiative (CSI) Program Handbook (Handbook) as jointly proposed by CSI Program Administrators, Southern California Edison (SCE), Pacific Gas and Electric (PG&E), and the California Center for Sustainable Energy (CCSE), in the above Advice Letters (ALs) with modification. The CSI Handbook changes filed via the ALs encompassed a wide range of minor programmatic modifications, only one of which was protested, the mandatory 1-Step application review process (1-Step Process) for all small projects. The Program Administrators currently process applications under a 2-Step Process, and submitted the above Advice Letters proposing to change to a 1-Step Process in an effort to streamline the application process and reduce administration cost for the Program Administrators.

The Commission approves all other proposed Handbook changes but will not approve the proposed 1-Step Process. The Commission will approve an expedited 2-Step Process by (1) requiring all Program Administrators to accept a completed Reservation Request Application and Program Contract with signature, which would reserve the project at the current incentive level, and (2) requiring an Incentive Claim Form package for payment upon completion.

BACKGROUND

I. Decisions Governing CSI Program Handbook Process

On January 17, 2006, the Commission issued Decision (D.) 06-01-024, establishing the California Solar Initiative. On August 24, 2006, the CPUC issued D.06-08-028, which, among other things, clarified the advice letter process for submitting subsequent revisions to the CSI Program Handbook. The PAs periodically update the CSI Program Handbook with revised or new policy changes for the CSI program by submitting proposed amendments via Advice Letter to the Commission for approval. Additionally, the Commission can also change the CSI Program Handbook on its own motion, via Resolution. If the proposed amendments are not protested by parties, the amendments are approved by the Commission and the PAs implement the changes into the CSI program via the Handbook.

In accordance with the advice letter process, CSI PAs submitted SCE AL 2533-E, PG&E AL 3768-E, and CCSE AL 13, on December 3, 2010, seeking to change numerous aspects of the Handbook, including the current 2-Step application review process.

The expedited 2-Step Process, approved by the Commission, modifies the existing 2-Step Process for small systems 10 kilowatts (kW) or less. The existing 2-Step Process, whereby applicants apply for the CSI rebate, receive an incentive reservation at a specified level, install the solar system, and then claim their incentive upon submittal of required documentation will be modified by the Resolution. The CSI Program Administrators (PAs) established the existing 2-Step Process at their own discretion at the beginning of the program, and they would maintain the existing 2-Step Process for all projects larger than 10 kW. Changing to an expedited 2-Step Process does not appear to be in conflict with any state law or California Public Utilities Commission (CPUC or Commission) decision.

The CSI PAs collectively received over 22,400 applications in 2010 (of which more than 20,700 were residential).¹ Given the volume of applications, even a modest saving in administration processing cost is deemed worthwhile from administrative and ratepayer perspectives. If the PAs change to an expedited 2-Step Process, their administration costs may be significantly reduced. The savings by going to an expedited 2-Step incentive mechanism adopted herein will reduce the PAs' costs for processing paperwork. Additionally, the expedited 2-Step Process will provide certainty to customer about their incentive levels before finalizing their contracts with installers.

On December 23, 2010, Solar Alliance protested SCE AL 2533-E, PG&E AL 3768-E, and CCSE AL 13, supporting most of the proposed changes but objecting to the change from the current 2-Step Process to a mandatory 1-Step Process for all small projects.

II. Description of the Current Statewide Application Process

In D.06-01-024, the Commission stated its intent to establish web-based administrative options to facilitate transparency for CSI applications. D.06-08-024 (p. 63) directed the CSI PAs to establish a "Statewide Online Application Process." The intent was to develop an online tool to process CSI applications and allow all CSI administrators, applicants, or other stakeholders, to access organized CSI project data. Further, it was decided that this type of online application tool would ensure application processing uniformity among the PAs statewide.

In 2007, the PAs discussed the implementation of a single interactive database and decided to implement the process with internet-based software called "PowerClerk", which is used as a processing, retrieval, and storage database for statewide CSI application packages. The rules and guidelines for application submittal are contained in the CSI Program Handbook.

Currently, residential and small non-residential (systems < 10 kW) use a 2-Step Process when applying for CSI rebates. Under the current process, applicants submit numerous pieces of documentation for the existing 2-Step Process, (1) the Reservation Request (RR) and (2) the Incentive Claim form (ICF) stages.

¹ http://www.californiasolarstatistics.ca.gov/reports/monthly_stats/

First, applicants must submit the RR package. This enables the applicant to reserve a rebate level after the host customer signs a contract with the contractor. The RR documents are reviewed by the PAs and if the application is approved and not suspended because of inaccuracies or missing documents, it is approved at the current rebate step level. Second, applicants must submit the “Incentive Claim Form” package, which approves the payment after the system is installed, inspected and operating.

Under the existing 2-Step Process, applicants may spend several hours preparing the documents to reserve a rebate and additional time preparing and submitting documents for the Incentive Claim form step. If any documentation changes between these two points in time, both the applicant and PA experience the extra burden of duplicative review and resolution of changes. A modification of the existing 2-Step Process will eliminate the submission of numerous documents in the initial stage (RR) of the application process.

The CSI Program Handbook² describes the detailed requirements and guidelines for the California Solar Initiative Program. The Handbook is a concise reference book providing specific information and instructions about the CSI Program and how applicants can apply for a rebate.

NOTICE

Notices of AL SCE’s Advice Letter 2533-E, PG&E’s 3768-E, and CCSE’s AL 13 were made by publication in the Commission’s Daily Calendar. SCE, CCSE and PG&E stated that a copy of the Advice Letter was mailed and distributed in accordance with Section 3.14 of General Order 96-B.

PROTESTS

SCE’s AL 2533-E, PG&E AL 3768-E and CCSE’s AL 13 were all timely protested by Solar Alliance on December 23, 2010, and subsequently suspended by the Energy Division. The Advice Letter filings were protested on the grounds that

² The CSI Handbook is available here:
<http://www.cpuc.ca.gov/PUC/energy/Solar/handbook.htm>.

the 1-Step Process is financially risky for applicants without a guaranteed rebate or incentive amount.

I. Advice Letter Proposal

On December 3, 2010, SCE submitted AL 2533-E on behalf of the PAs (PG&E AL 3768-E and CCSE AL 13) to propose necessary updates (policy changes) to the Handbook. The proposed changes included implementing a 1-Step application review process. The PAs proposed the following in the ALs:

“Starting 90 calendar days from the Commission’s approval of this advice filing, the 1-Step application process is mandatory for (1) all Residential projects regardless of size and Non-Residential projects less than 10 kW; and (2) host customers who have completed their interconnection to the utility grid within the past 12 months. The 1-Step application process is voluntary for Non-Residential projects greater than 10 kW.”

II. Summary of Protest

Solar Alliance protested SCE AL 2533-E, PG&E AL 3768-E, and CCSE AL 13. The following summarizes the two issues raised in the Solar Alliance protest.

Issue 1. Incentive Value Uncertainty From the 1-Step Process -

Solar Alliance contends that the CSI PAs’ proposed 1-Step application process does not provide a guaranteed CSI rebate. Requiring that all residential and non-residential systems less than 10kW use the 1-Step Process creates uncertainty for the contractor and customer. Solar Alliance argues that incentive level assurance is critical during a CSI program step level change, because as the PA reaches the end of each CSI step, uncertainty exists as to the specific rebate applicants will receive. If the contractor does not receive the requested step level, this could result in financial risk for the contractor and the customer. Solar Alliance further argues that a contractor should have an opportunity to evaluate the economics of the project before proceeding.

Issue 2. CSI Participants Risk - Solar Alliance contends that the 1-Step Process will require the CSI participant, contractor, or the customer to play a “guessing game,” on the incentive value that will be received and will place the

customer at a disadvantage if the contractor makes an error with system sizing (system over-sizing). Most likely, such an error would be caught at the first step of a 2-Step Process. The “risk” for applicants is that the system would be installed prior to receiving a rebate reservation confirmation from the PAs. The host customer could experience a considerably higher out-of-pocket cost for the solar system (from a PA approval of a smaller-sized system size than the system installed or from a lower rebate as step levels change). The difference in system size could jeopardize the financing of the project. Solar Alliance argues that removing the certainty of the current 2-Step Process is too risky for the customers and stated that the Commission should not approve this change to the CSI Program Handbook.

III. PA Response to the Protest

The PAs jointly responded to Solar Alliance’s protest on January 10, 2011. The PAs contend that the 1-Step Process provides benefits to the solar industry and the CSI program. In its response to the protest, the PAs stated the following:

Issue 1. CSI Incentive Value Uncertainty From 1-Step Process - The 1-Step Process will streamline the application review process and increase efficiency for the PAs, and applicants. The new process will improve application processing times, which will reduce the cost for applicants.

Issue 2. CSI Participants Risk- The PAs recognize the potential for uncertainty and risk to the customer and the contractor and will mitigate the risk factors with the following measures:

- A. Provide additional targeted outreach efforts through various channels such as websites, trainings, emails, and newsletter articles to communicate the transition to the 1-Step Process;
- B. Use the 30-day transition period proposed in the Advice Letter filing after the Commission approval (process) to ensure participants in the program are given sufficient notification that the 1-Step Process is mandatory for all residential projects regardless of size and non-residential less than 10kW;
- C. Issue market place alerts in advance of rebate step changes to allow contractors the opportunity to communicate to customers the possibility of a lower rebate.

DISCUSSION

The CSI PAs support adopting efficiencies that will bring down cost for the market, and specifically, CSI applicants. This process is a collaborative process where the Commission, PAs, and the industry work together with the goal of achieving a lower cost per watt for applicants. In light of the current step levels (step 8 to step 10) which hold the most megawatts, the PAs have to meet administrative demands in a cost-efficient manner.

It is the intent of the CSI program to provide incentives in not only an efficient manner, but using an application review process that is expedited and simple for the applicants. The expedited 2-Step Process will streamline the existing 2-Step Process, reduce PA’s processing cost (administration) and will provide security for applicants who want to reserve a rebate prior to project completion.

The current 2-Step Process has resulted in a number of programmatic issues over the years. Incentive Step changes frequently cause spikes in rebate demand which lead to application processing delays. Stress, delays, and errors over processing during step changes have frequently led to complaints from applicants directly to the CPUC. Further, the industry and PAs report to the CPUC that the existing 2-Step application process is costly and time consuming. The move to a more streamlined process has been discussed for the past several years, and it is now appropriate at this time to move in this direction.

The existing 2-Step Process is described in Table 1 below:

Table 1. Existing 2-Step Process

Step 1: Reservation Request Package
Completed Reservation Request Package and Program Contract with Signature
Electrical System Sizing Documentation (new/expanded load for systems greater than 5 kW)
Certification of tax-exempt status (gov't and non-profit only)
Documentation of an Energy Efficiency Audit if you have not met Title 24 or other exemptions. Title 24 documentation is mandatory for non-residential new construction.
Copy of signed Energy Efficiency Disclosure Form
Copy of signed Commitment Agreement (EPBB Existing Commercial buildings ≥ 100,000 sq ft and Benchmarking < 75) (Proof of Benchmarking Documentation req'd)
Proof of at least 15% above Title 24 Standards (non-residential new construction only)
Copy of New Construction Building Permit (non-residential new construction only)
Building Site Plan (non-residential new construction only)

Copy of Executed Agreement of Solar System Purchase and Installation
Copy of Executed Alternative System Ownership Agreement (If System Owner is Different from Host Customer)
Documentation of CPUC Code 2852 eligibility (MASH only)
Step 2: Incentive Claim Form Package
Complete Incentive Claim Form with Signatures
Copy of Executed PDP Contract (PBI Only)
Revised EPBB Calculation Printout (if applicable) (for other solar electric generating technologies a copy of the revised SOF chart marking the correct data point)
PMRS Cost Cap Exemption Documentation (if no eligible PMRS is installed)
Signed Field Verification Certification Form (for Reservation Request Applications first received on or after 7/1/09)
Copy of Retro-commissioning Report (EPBB Existing Commercial buildings \geq 100,000 sq ft and Benchmarking $<$ 75)

I. Contractor's Concerns

The Solar Alliance Protest represents concerns from several large solar contractors. Large contractors typically install over 200 installations per month through the CSI Program.

With the current 2-Step Process, contractors that install over 200 installations per month may borrow working capital against the expected value of the rebate confirmation. The contractors can take a rebate confirmation to a bank (or other entity) to establish a line of credit. Under the expedited 2-Step Process, PAs will continue to issue a rebate confirmation in the first step of the process.

CSI contractors' costs decrease as a result of an expedited 2-Step Process because it will reduce contractors' administration costs, time, and effort.

II. PA Concerns

The PAs recognize the costs to the entire solar industry. An expedited 2-Step Process has significant potential to reduce CSI PA processing costs. The existing 2-Step Process has resulted in a number of programmatic issues over the years.

Under today's 2-Step Process, PAs have to review a number of documents on two separate occasions to communicate with the applicants about suspended applications. This process is costly and time-consuming for the PA's application processors.³

The CSI PAs are concerned with the high cost of processing large volumes of CSI applications. The Commission staff analyzed the estimated application processing cost for the PAs based on the reported cost of the total annual cost for "Application Management" found on the PAs' semi-annual Expense Reports,⁴ which PAs submit to the Commission in January and July of each year. The semi-annual Expense Reports detail all of the PA program expenses and application management cost. The January 2011 semi-annual Expense Reports indicate that application management expenditures have risen each year \$4 million to \$6 million, as shown in "Appendix A, Table 1." With the implementation of the expedited 2-Step Process, the PAs will be able to reduce their application management cost. Also shown in "Appendix A, Figures 1 and 2", are the PAs' costs per year for administration expenses (dollars) per application and administration cost (dollars) per kW. Figure 1 shows a decrease in the PAs' administrative costs per applications received from 2007 to 2010. Commission staff anticipates further reductions in application costs by reducing the amount of application review time, and reducing staff levels per application.

III. Concerns Regarding Missing a Step Level if Rebate Changes

Solar Alliance raised concerns that applicants may not be assured of a certain CSI rebate level while installing their solar system with the proposed 1-Step Process. There is always a possibility that the rebate amount requested will not be available, due to allocating all available rebates at that level to other completed systems that file for payment in preceding days (or hours), depending on how long it takes to install a project. Table 2 (below) illustrates the different rebate levels available in each step (Step 5 through Step 10) for a 10 kW system, and the missed step. The "missed" step amount column shows the consequences of the

³ See Appendix A - Table 1- the total administration processing cost for application review, 2007 through 2010. Also, see Table 2- Administration dollar per applications and Table 3-Administration dollars per kW.

⁴ See CSI PA Expense Reports, <http://www.cpuc.ca.gov/PUC/energy/Solar/expereports.htm>

rebate that the applicant would miss if the step level changes at any point after the initiation of the project.

Table 2. Reduced Incentives Received Due to Missing a Step Level

Step Level	Rebate Level	10 kW system CSI Rebate	"Missed Step"
Step 5	\$1.55/watt	\$15,500	\$4,500
Step 6	\$1.10/watt	\$11,000	\$4,500
Step 7	\$0.65/watt	\$6,500	\$3,000
Step 8	\$0.35/watt	\$3,500	\$1,000
Step 9	\$0.25/watt	\$2,500	\$500
Step 10	\$0.20/watt	\$2,000	\$2,000

As shown in Table 2, at Step Level 8 (\$0.35/watt), a residential system owner with a 10 kW solar system is eligible for a maximum incentive of \$3,500. This size system costs, on average, \$85,000 (\$8.50/watt). If the system owner were to miss out on Step 8, and only receive Step 9 (\$0.25/watt), the system owner would receive an incentive of \$2,500, a difference of \$1,000 or 1.2 percent of total system cost.

The differences in the incentive levels or “missed” amounts illustrate the potential risk for applicants’ incentive payments. The expedited 2-Step Process minimizes this risk by allowing customers to submit a reservation request application and program contract early in the application process. With the existing 2-Step Process (see Table 1 p. 7), (1) the RR package requires the submittal of (13 documents) to reserve an incentive (2) the ICF package (6 documents must be submitted prior to the expiration date of the RR package to avoid project cancellation) after the system is installed and operating.

SCE AI 2533E, PG&E AL 3768E & CCSE AL 13/mdd

Once a project is completed (installed, interconnected, permitted), an applicant can request payment of the incentive amount reserved in Step 1 (RR package).

The expedited 2-Step Process requires the following to reserve a rebate (1) a completed Reservation Request Application and (2) a program contract with the customer's signature. Once the reservation request application and contract are received, the project is reserved at the current incentive level.

The reduction of paperwork for applicants occurs in the first step of the expedited 2-Step Process. The applicant only submits an RR application and a contract with the applicants' signature. An applicant does not have to submit the additional 11 documents that are required in the first step of the current 2-Step Process.

The PA's review and approval of the expedited 2-Step Process will fall within the CSI Program Handbook guidelines of specific application processing times for the general market program.

It is reasonable to assume that the financial risk associated with the PAs' proposed 1-Step Process is significantly reduced with the expedited 2-Step Process, which allows customers to reserve an incentive at the first step of the process at the current rebate level.

See description of expedited 2-Step Process below:

Table 3. Expedited 2-Step Process

Step 1: Reservation Request Package
Completed Reservation Request Application and Program Contract with Signature
Step 2: Incentive Claim Form Package
Electrical System Sizing Documentation (new/expanded load for systems greater than 5 kW)
Certification of tax-exempt status (gov't and non-profit only)
Documentation of an Energy Efficiency Audit if you have not met Title 24 or other exemptions. Title 24 documentation is mandatory for non-residential new construction.
Copy of signed Energy Efficiency Disclosure Form
Copy of signed Commitment Agreement (EPBB Existing Commercial buildings \geq 100,000 sq ft and Benchmarking < 75) (Proof of Benchmarking Documentation req'd)
Printout of EPBB Tool Calculation (for non-PV other solar electric generating technologies a copy of the SOF chart marking the correct data point)
Copy of New Construction Building Permit (non-residential new construction only)
Building Site Plan (non-residential new construction only)
Copy of Executed Agreement of Solar System Purchase and Installation
Copy of Executed Alternative System Ownership Agreement (If System Owner is Different from Host Customer)
Signed Field Verification Certification Form
PMRS Cost Cap Exemption Documentation (if no eligible PMRS is installed)
Copy of Executed PDP Contract (PBI Only)
Copy of Retro-commissioning Report (EPBB Existing Commercial buildings \geq 100,000 sq ft and Benchmarking < 75) Cost Cap Exemption Affidavit (if applicable)

Finally, it would be prudent to review the impact of this expedited 2-Step Process on the solar industry. We believe that there may be an increase in cancelled contracts since the expedited 2-Step Process is easier and (2) we may lose consumer protection on system size review. We believe that the loss of consumer protection will be minimal. The PAs' Marketing and Outreach efforts to CSI applicants and the solar industry following the approval of this Resolution will emphasize that oversized systems under the expedited 2-Step Process will not be incentivized. We will institute additional program rules to ensure that these rules are followed by applicants. Therefore, we will ask Energy Division

staff to monitor the process to ensure that it does not disadvantage any subset of contractors.

IV. Timing of the Implementation on the Expedited 2-Step Process

The PAs should file their substitute Advice Letters 7 days after approval of this Resolution. The CSI Program Handbook should be issued 30 days after the Advice Letters are approved by the Commission. The Commission will allow 60 days from the effective date of this Resolution for the expedited 2-Step Process to be implemented by the PAs.

V. Conclusion

The Commission anticipates that the expedited 2-Step Process will reduce the paperwork associated with applying for a CSI rebate while minimizing the risk that projects miss an incentive step level. Implementing the expedited 2-Step Process will offer benefits to both the applicants and the PAs.

The Commission approves the changes to the CSI Program Handbook proposed in SCE AL 2533-E, PG&E AL 3768 and CCSE AL 13 with the following modifications:

- (1) The Commission orders that the expedited 2-Step Process, herein, shall be implemented within 67 days of this Resolution.
- (2) The PAs will re-file an Amended AL with Substitute Sheets to comply with the process outlined in this Resolution.

COMMENTS

Public Utilities Code section 311(g)(1) provides that this resolution must be served on all parties and subject to at least 30 days public review and comment prior to a vote of the Commission. Section 311(g)(2) provides that this 30-day period may be reduced or waived upon the stipulation of all parties in the proceeding.

The 30-day comment period for the draft of this resolution was neither waived or reduced. Accordingly, this draft resolution was mailed to parties for comments, and will be placed on the Commission's agenda no earlier than 30 days from today.

FINDINGS AND CONCLUSIONS

1. D. 06-08-028 directed the CSI PAs to file an Advice Letter to make changes to the CSI Program Handbook and clarified the advice letter process for submitting subsequent revisions to the CSI Program Handbook.
2. On December 3, 2010, SCE filed AL 2533-E, PG&E filed AL 3768-E, and CCSE filed AL 13, each seeking to change the Handbook to implement, among other things, the 1-Step Application Review Process.
3. The mandatory nature of the 1-Step Process requested by the PA creates some risks for applicants that they will receive a lower incentive than expected due to a step level change that occurs after the initiation of a project.
4. The existing 2-Step Process imposes higher administrative costs on the PAs than an expedited 2-Step Process. It is reasonable to allow the PAs to continue the existing 2-Step Process with modifications.
5. An expedited 2-Step Process would be beneficial to the CSI Program and solar industry by reducing administrative costs to both the participant and program administrators.
6. The mandatory nature of the 1-Step Process requested by the PAs creates some risks for applicants that they will receive a lower incentive than expected due to a step level change that occurs after the initiation of a project.
7. The Commission should approve an expedited 2-Step Process.

THEREFORE IT IS ORDERED THAT:

1. The CSI Program Handbook modifications requested in Advice Letter SCE AL 2533-E, PG&E AL 3768-E, and CCSE AL 13 are approved with modification and all other Handbook changes are approved. In particular, the Commission denies the change to a mandatory 1-Step application review process for all residential projects and non-residential projects

equal to or less than 10 kW. However, the CSI Handbook is to be changed in accordance with the modifications ordered below:

- (a) The Handbook is changed to include an expedited 2-Step Process, under which applicants will submit (1) completed Reservation Request Application and Program Contract with signature and (2) Incentive Claim form package (see Table 3) after the project is completed.

 - (b) The expedited 2-Step Process shall be implemented by the PAs within 60 calendar days from the Commission's approval of this Resolution.
2. The CSI PAs shall file Advice Letter Substitute Sheets to their Advice Letters within 7 days from the effective date of this Resolution.

This Resolution is effective today.

I certify that the foregoing resolution was duly introduced, passed and adopted at a conference of the Public Utilities Commission of the State of California held on July 28, 2011; the following Commissioners voting favorably thereon:

Paul Clanon
Executive Director

Appendix A

Table 1. Total Application Management Cost January 2007- 2010

Program Administrator Application Management Expense Per Year 2007- 2010 (US Dollars)				
	2007	2008	2009	2010
PG&E	2,349,997	2,354,980	2,068,984	1,972,732
SCE	1,247,652	2,103,817	2,385,220	3,835,310
CCSE	536,684	726,596	619,012	608,968
Total	4,134,333	5,185,393	5,073,216	6,417,009

Data Source: CSI Program semi-annual Expense Reports, January 2011

Figure 1. Administration Dollars per Application Received, 2007-2010

Figure 2. Administration Dollar per Kilowatts (kW) in Applications, 2007-2010

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



I.D.# 10530

June 28, 2011

Draft Resolution **E-4396**

Commission Meeting Date: July 28, 2011

TO: PARTIES TO DRAFT RESOLUTION E-4396

Enclosed is draft Resolution E-4396 prepared by the Energy Division. It will be on the agenda at the July 28, 2011 Commission meeting. The Commission may then vote on this draft Resolution or it may postpone a vote until later.

When the Commission votes on a draft Resolution, it may adopt all or part of it as written, amend, modify or set it aside and prepare a different draft Resolution. Only when the Commission acts does a Resolution become binding on the parties.

Parties may submit comments on the draft Resolution no later than July 18, 2011.

Comments should be submitted to:

Honesto Gatchalian and Maria Salinas
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
ijnj@cpuc.ca.gov; mas@cpuc.ca.gov

A copy of the comments should also be submitted to:

Mona Dzvova
Energy Division
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, CA 94102
Fax: 415-703-1231
Email: mdd@cpuc.ca.gov

Comments may be served by email. Any comments on the draft Resolution must be received by the Energy Division by July 18, 2011. Those submitting comments must serve a copy of their comments on 1) the entire service list attached to the draft Resolution, 2) all Commissioners, and 3) the Director of the Energy Division, the Chief Administrative Law Judge, and the General Counsel, on the same date that the comments are submitted to the Energy Division.

Comments shall be limited to fifteen pages in length, plus a subject index listing the recommended changes to the draft Resolution, a table of authorities, and an appendix setting forth the proposed findings and conclusions.

Comments shall focus on factual, legal or technical errors in the proposed draft Resolution. Comments that merely reargue positions taken in the advice letter or protests will be accorded no weight and are not to be submitted.

Late submitted comments will not be considered.

/s/ Jeanne Clinton

Jeanne Clinton
Program Manager
Energy Division

Enclosure: Service List
Certificate of Service

CERTIFICATE OF SERVICE

I certify that I have by mail this day served a true copy of Draft Resolution E-4396 on all parties in these filings or their attorneys as shown on the attached list.

Dated June 28, 2011 at San Francisco, California.

/s/ Honesto Gatchalian

Honesto Gatchalian

NOTICE

Parties should notify the Energy Division, Public Utilities Commission, 505 Van Ness Avenue, Room 4002 San Francisco, CA 94102, of any change of address to ensure that they continue to receive documents. You must indicate the Resolution number on the service list on which your name appears.

Service List
Draft Resolution E-4396

Akbar Jazayeri, Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, CA 91770
AdviceTariffManager@sce.com

Jane K. Yura, Vice President, Regulation and Rates
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10B
P.O. Box 770000
San Francisco, CA 94177
PGETariffs@pge.com

Andrew McAllister, Director of Programs
California Center for Sustainable Energy
8690 Balboa Avenue, Suite 100
San Diego, CA 92129
andrew.mcallister@energycenter.org