

Decision 09-06-026 June 18, 2009

**BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA**

Application of Pacific Gas and Electric Company  
for Approval of the 2009-11 Low Income Energy  
Efficiency and California Alternate Rates for  
Energy Programs and Budget (U39M).

Application 08-05-022  
(Filed May 15, 2008)

And Related Matters.

Application 08-05-024  
Application 08-05-025  
Application 08-05-026

**DECISION CLARIFYING AND MODIFYING DECISION 08-11-031  
(MODIFIED THREE MEASURE MINIMUM RULE AND AUGMENTING  
ONE-E-APP PILOT PROJECT BUDGET)**

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**DECISION CLARIFYING AND MODIFYING DECISION 08-11-031  
(MODIFIED THREE MEASURE MINIMUM RULE AND AUGMENTING  
ONE-E-APP PILOT PROJECT BUDGET)**

**1. Summary**

This decision clarifies and modifies Decision (D.) 08-11-031 by clarifying and modifying the so called “3 Measure Minimum Rule” as modified by D.08-11-031 and by augmenting the One-E-App Pilot budget.

**2. Background**

**2.1. Modified “3 Measure Minimum Rule”**

In D.08-11-031,<sup>1</sup> the Commission modified what had commonly been referred to as the “3 Measure Minimum Rule.” Until D.08-11-031, the “3 Measure Minimum Rule” prohibited the investor owned utilities (IOUs) from installing energy savings measures in a home that did not require at least three measures. As a result of D.08-11-031, the “3 Measure Minimum Rule” was modified and expanded, resulting in a modified “3 Measure Minimum Rule” currently being applied by the IOUs in complying with D.08-11-031.

The new modified “3 Measure Minimum Rule” allowed IOUs to install one or two measures in a home, as long as the total energy savings achieved by either measure or measures combined yield(s) energy savings of at least either 125 kilowatt-hours (kWh)/annually or 25 therms/annually. The Commission discussed and outlined the new modified “3 Measure Minimum Rule” in D.08-11-031 and adopted Ordering Paragraph (OP) 47 thereto:

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<sup>1</sup> Decision on Large Investor-Owned-Utilities’ 2009-2011 Low Income Energy Efficiency (LIEE) and California Alternate Rate for Energy (CARE) Applications, issued on November 10, 2008 in these proceedings.

We eliminate the 3 Measure Minimum rule (which prohibits IOUs from installing measures in a home that does not require at least three measures) in favor of a rule that allows IOUs to install one or two measures in a home, as long as the measures achieve energy savings of at least either 125 kWh/annually or 25 therms/annually.

**Attachment G to this decision specifies, based on the data the IOUs provided with their applications, which measures qualify. [Emphasis added.]**

This OP uses the term “measures.” In contrast, the referenced Attachment G to the decision sets forth a table that is mostly presented in terms of individual measures, but not completely. In fact, some of the measures on Attachment G are only presented as part of “measure groups.” In such instances, Attachment G illustrates whether the “measure groups” meet the energy savings threshold of 125 kWh/annually or 25 therms/annually, but does not illustrate whether the individual measures within those “measure groups” meet the energy savings threshold of 125 kWh/annually or 25 therms/annually. Thus, some parties interpret the directives set forth in D.08-11-031 and OP 47 to mean 3 “individual measures” while others interpret it to mean 3 “measure groups.”

To eliminate this apparent confusion, on March 20, 2009, the assigned Commissioner Dian Grueneich and the assigned Administrative Law Judge (ALJ) Kimberly Kim issued a joint ruling (March 2009 Ruling) seeking comment on the following proposed modifications to clarify D.08-11-031 on the modified “3 Measure Minimum Rule”:

1. The revised OP 47 will read as follows:

We modify the 3 Measure Minimum rule (which prohibits IOUs from installing measures in a home that does not require at least three measures) in favor of a rule that allows IOUs to install one or two measures in a home, as

long as the measures achieve energy savings of at least either 125 kWh/annually or 25 therms/annually. ~~Attachment G to this decision specifies, based on the data the IOUs provided with their applications, which measures qualify.~~

2. Attachment G to D.08-11-031 will be eliminated.
3. A new OP will be added to the modified decision and will read as follows:

In complying with OP 47 and calculating energy savings associated with each of the measures, the utilities are directed to obtain energy savings information on individual measures from the 2005 Impact Evaluation (2005 IE). If energy savings information on a particular measure is not available from the 2005 IE, the utilities are directed to obtain the energy savings information on individual measure from the DEER [Database for Energy Efficient Resources] database. If energy savings information on a particular measure is not available from the 2005 IE and DEER database, the utilities are directed to obtain the energy savings information on individual measures from the 2002 Impact Evaluation.

4. Other sections of D.08-11-031 related to OP 47 will be revised to reflect the clarifications set forth in this modified decision.

## **2.2. Budget Augmentation for One-E-App Pilot Project**

In D.08-11-031, the Commission adopted a pilot project (One-E-App Pilot Project) and allocated funding for said project, as follows:

We adopt a One-E-App pilot to be carried out in two counties in PG&E's territory and allocate \$167,000 to cover the One-E-App portion of the pilot. We add this to PG&E's CARE budget. (OP 98.)

Since the issuance of D.08-11-031, an oversight in the One-E-App Pilot Project budget has been discovered. The budget of \$167,000 originally allocated by the Commission to cover the costs incurred by The Center to Promote Health

Care Access (The Center) for this pilot does not cover the needed maintenance costs incurred by The Center for the one-year life of the pilot.

To correct this oversight, the March 2009 Ruling sought comments on a proposed modification to D.08-11-031 to increase the One-E-App Pilot Project budget to cover costs anticipated to be incurred by The Center for the One-E-App Pilot Project in its maintenance, including categories of tasks and breakdown of costs associated therewith.

The March 2009 Ruling set forth the following proposed modifications to D.08-11-031 to increase the One-E-App Pilot Project budget:

1. The revised OP 98 will read as follows:

We adopt a One-E-App pilot to be carried out in two counties in PG&E's territory and allocate \$\_\_\_\_,000 to cover The Center to Promote Health Care Access' (The Center) portion of the pilot. This allocation includes \$\_\_\_\_,000 to cover the One-E-App Pilot Project maintenance costs incurred by The Center. We add this to the PG&E CARE budget.

2. Other sections of D.08-11-031 related to OP 98, including Attachment M, will be revised to reflect the increased One-E-App Pilot Project budget, being authorized in the modified decision.

### **2.3. Comments to March 2009 Ruling**

On April 1, 2009, Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE),<sup>2</sup> San Diego Gas & Electric Company

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<sup>2</sup> In addition to the Joint Utilities' Comments, SCE made a separate comment seeking exemptions for certain measures from the modified 3 Measure Minimum Rule. (Joint Utilities' Comments, pp. 6-8.) SCE's comment is outside the scope of the March 2009 Ruling, and comments to a ruling are an improper vehicle through which to seek an exemption from the modified 3 Measure Minimum Rule.

(SDG&E), and Southern California Gas Company (SoCalGas) (collectively, the Joint Utilities or IOUs) jointly filed comments (Joint Utilities' Comments) and Division of Ratepayer Advocates (DRA) filed its comments (DRA's Comments).

### **3. Clarification of Modified "3 Measure Minimum Rule"**

#### **3.1. Joint Utilities' Comments**

Generally, the Joint Utilities support and welcome the proposed modifications to OP 47 and comment that the March 2009 Ruling "correctly provides clarification to ensure that as long as three of the above *individual* measures are installed, the home will qualify for participation in the LIEE program."<sup>3</sup> The Joint Utilities also support the proposed elimination of Attachment G which created the confusion.

In addition to the revisions to OP 47 proposed in the March 2009 Ruling, the Joint Utilities propose minor additional language to the proposed revisions to OP 47 which further clarifies the modified "3 Measure Minimum Rule" as follows:

Homes that require three or more individual measures will qualify for LIEE participation regardless of energy savings. Additionally the three measures are counted on a household basis, not a program basis.

The Joint Utilities suggest the newly proposed OP in the March 2009 Ruling, which starts "In complying with OP 47 and calculating energy savings ...," should not be adopted because the Joint Utilities believe the proposed new OP creates potentially more confusion and may be unduly prescriptive in how the modified "3 Three Measure Minimum Rule" should be applied. The Joint Utilities instead "propose no changes to the reporting criteria presently in

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<sup>3</sup> Joint Utilities' Comments, p. 4.

place ...,” and suggest “that this additional paragraph [newly proposed OP] is not needed and that the present reporting parameters should be retained.”

The Joint Utilities also raise other issues related to the modified “3 Measure Minimum Rule” implementation which the Commission finds to be outside the scope of the March 2009 Ruling.<sup>4</sup>

### **3.2. DRA’s Comments**

DRA states that it “does not oppose the removal of Attachment G” from D.08-11-031 and also acknowledges that Attachment G in its present form creates a confusion and the present need for clarification of the modified “3 Measure Minimum Rule.”<sup>5</sup> DRA supports the efforts to clarify<sup>6</sup> the modified “3 Measure Minimum Rule,” as follows:

Not only should the 3 Measure Minimum be maintained as one avenue of qualifying for LIEE services, but the

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<sup>4</sup> *Id.*, p. 6. The Joint Utilities contend that despite best efforts there will still be certain homes, primarily in single-commodity areas (*e.g.*, areas where only gas or electricity may be provided), where the Joint Utilities are unable to find three additional measures feasible for installation in a specific residence or are unable to find three additional measures feasible for installation in a specific residence or are unable to find one or two measures that can meet the 125 kWh or 25 therm criteria, making the homes ineligible for LIEE services. Since program resources are used to evaluate these homes, the Joint Utilities propose that such homes should be credited either as part of the 25% of the homes treated during 2009-2011 period, or as an alternative, should be deducted from the count of eligible and willing homes for 2009-2011 period.

Such an issue is prematurely brought to the Commission, since the Commission has already authorized the Joint Utilities’ budget for the 2009-2011 period based upon a set of assumptions. Should the Joint Utilities find that those assumptions need to be revisited in the next budget cycle (2012-2014) based upon information they have gathered during the current budget cycle, that may be the opportune time.

<sup>5</sup> DRA’s Comments, p. 2.

<sup>6</sup> DRA recommends the usage of the terms “expand” or “extend” or “make an exception to” rather than “eliminate” or “modify.” (*Id.*, p. 4.)

Commission should clarify that the alternative, an energy savings threshold of 125 kWh/annually or 25 therms/annually, can be met by one or two individual measures.

The existing text of OP 47 does refer to one or two measures that could together meet the savings threshold. To make OP 47 clearer, these two options must be clearly and concisely stated.<sup>7</sup>

DRA contends that “the energy savings threshold is an alternative, expansion, or exception to the ‘3 Measure Minimum Rule.’”<sup>8</sup> DRA notes that such clarification will also address DRA’s and other parties’ concerns that OP 47 in its present form could be interpreted in a way that could pose as “a barrier to leveraging” contrary to the intent and language of D.08-11-031,<sup>9</sup> and ultimately resulting in fewer homes being treated.<sup>10</sup>

DRA, for reasons different from the Joint Utilities, opposes the newly proposed OP concerning the modified “3 Measure Minimum Rule” in the March 2009 Ruling, which starts “In complying with OP 47 and calculating energy savings ....” DRA contends the newly proposed OP “orders the sources to be used for estimating energy savings for measures, without the opportunity for parties to properly review the various sources of estimates, and in particular the DEER database.” DRA requests “more time for parties to analyze and

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<sup>7</sup> *Id.*, p. 3.

<sup>8</sup> *Id.*

<sup>9</sup> *Id.*, p. 2 (citing D.08-11-031, pp. 95-99).

<sup>10</sup> *Id.*, (citing D.08-11-031, pp. 96-97).

provide comments on the proposed sources of energy savings estimates.”<sup>11</sup> DRA also raises other issues which are either inapposite or otherwise outside the scope of the March 2009 Ruling.<sup>12</sup>

### **3.3. Discussion**

There is agreement amongst commenting parties that the modified “3 Measure Minimum Rule” as set forth in D.08-11-031 should be clarified. Joint Utilities and DRA however present differing ideas on how best to modify D.08-11-031 to achieve that clarification. In reconciling the competing comments, the Commission finds that D.08-11-031 should be modified in the manner set forth herein.

Joint Utilities and DRA agree that Attachment G to D.08-11-031, in its present form, creates confusion as it lists both individual measures as well as grouped measures. The March 2009 Ruling attempted to remove that confusion with a two-part solution and proposed: (1) elimination of said Attachment G; and (2) in lieu thereof, adoption of a newly proposed OP detailing an alternative methodology of estimating energy savings for the measures.

Both the Joint Utilities and DRA objected to the second part of the proposed two-part solution, for different reasons. In fact, the Joint Utilities noted, they support a solution which maintains status quo. They “propose no

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<sup>11</sup> *Id.*, p. 4. (The issue of what sources should be used in estimating energy savings is an issue of importance but is being reviewed as part of the 2009 Impact Evaluation process currently underway pursuant to D.08-11-031.)

<sup>12</sup> DRA argues, under Rule 16.4 of the Commission’s Rules of Practice and Procedure, the Joint Utilities must first file a petition to modify the decision before the decision can be modified. While that is the most common vehicle, the Commission has an inherent authority to modify prior decisions when cause exists, which we exercise here. (Pub. Util. Code § 1708.)

changes to the reporting criteria presently in place ...,” and suggest “that this additional paragraph [newly proposed OP] is not needed and that the present reporting parameters should be retained.” Specifically, the Joint Utilities suggested the proposed alternative methodology of estimating energy savings for the measures would be unduly prescriptive. The Joint Utilities propose an alternative to the two-part solution:

The ambiguity is largely eliminated ... by (1) allowing measure groups to be broken into individual measure components to count toward the minimum savings threshold and (2) eliminating the measure savings component when the three measure threshold has been met.

DRA also seems to disfavor a change from the status quo to some degree but supports elimination of Attachment G on the basis that it creates confusion. DRA asserts, however, that any new or different methodology of estimating energy savings for the measures, such as the one proposed in the newly proposed OP, would need to be thoroughly reviewed, and requests that the Commission grant it additional time to evaluate the implications of the newly proposed OP.

Upon consideration of the parties’ comments and of the March 2009 Ruling, the Commission finds that the most effective method of resolving the confusion created by Attachment G is to simply revise Attachment G to replace the grouped measures therein with individual measures.

Attachment G, as attached to D.08-11-031, lists all measures separately with two exceptions: (1) Envelope and Air Sealing Measures; and (2) Water Heater Conservation Measures, which are grouped measures. For instance, the grouping of Envelope and Air Sealing Measures includes individual measures such as:

- Outlet Cover Plate Gaskets;
- Evaporative Cooler/ Air Conditioner Cover;
- Attic Access Weatherization;
- Door Weatherstripping;
- Caulking; and
- Minor Home Repairs (which includes ceiling repair, cover plates, door jams, door patch/plate, door replacement, exhaust fan vents, exterior wall repair, foam wall patch, interior wall repair, glass replacements, glazing compounds, lock sets (exterior door) windowsill repair, thresholds, vent repair and alignment, and window repair).

Likewise, the grouping of Water Heater Conservation Measures includes individual measures such as:

- Water Heater Blanket;
- Low Flow Showerhead;
- Water Heater Pipewrap; and
- Faucet Aerators.

The Commission concludes that it is appropriate to replace Attachment G to D.08-11-031 with the Revised Attachment G.<sup>13</sup> (See attached Appendix 1.) The Commission also concludes that the Joint Utilities' proposed additional language to further clarify the modified "3 Measure Minimum Rule" is helpful. The Revised Attachment G replaces previously listed "measure groups" with individual measures and lists each measure's corresponding energy savings estimate. This solution moots much of the concerns of the Joint Utilities and

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<sup>13</sup> In addition to breaking down measure groupings, the Revised Attachment G also eliminates non-essential and superfluous data from the original Attachment G to D.08-11-031.

DRA concerning the OP proposed in the March 2009 Ruling and adopts the Joint Utilities' proposal to simply break down the two measure groups "into individual measure components to count toward the minimum savings threshold ...."<sup>14</sup>

#### **4. Augmentation of One-E-App Pilot Project Budget**

##### **4.1. Joint Utilities' Comments**

The Joint Utilities' Comments support the proposed increase in the One-E-App Pilot Project funding to include maintenance costs and propose that the increase needed in maintenance costs will be \$42,000 to cover technical support, telecommunications and data hosting, and system maintenance for the life of the pilot period.

##### **4.2. DRA's Comments**

DRA does not take issue with the augmentation of the One-E-App Pilot Project budget.<sup>15</sup>

##### **4.3. Discussion**

There is no disagreement amongst the commenting parties as to the need for augmenting and increasing the One-E-App Pilot Project funding to add the maintenance costs. The Joint Utilities propose and recommend an increase of \$42,000 to cover technical support, telecommunications and data hosting, and system maintenance for the life of the pilot period. The Commission finds the amount requested in the Joint Utilities' Comments is reasonable. As such, the

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<sup>14</sup> Joint Utilities' Comments, p. 3.

<sup>15</sup> DRA's Comments, pp. 2-4.

Commission finds that D.08-11-031 should be modified in the manner set forth below to increase the One-E-App Pilot Project funding.

## **5. Comments on Proposed Decision**

The Proposed Decision of the Administrative Law Judge in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure.

On June 4, 2009, the Joint Utilities and DRA filed joint Opening Comments to the Proposed Decision Clarifying and Modifying Decision 08-11-031 (Modified Three Measure Minimum Rule and Augmenting One-E-App Pilot Project Budget.) (Opening Comments.) The Commission has not received any reply comment.

In the Opening Comments, the Joint Utilities and DRA support the elimination of Attachment G to D.08-11-031 as well as the proposed modifications to D.08-11-031 provided in the Proposed Decision. In their view, the Proposed Decision correctly clarified the modified "3 Measure Minimum Rule" such that it clearly enables the Joint Utilities to reach an increased number of customers to participate in and receive the benefits of the LIEE program. In the Opening Comments, the Joint Utilities and DRA, however, recommend against adoption of any replacement of such eliminated Attachment G, such as the proposed Revised Attachment G attached to the Proposed Decision. However, if the Revised Attachment G is retained the Joint Utilities and DRA recommend the following three changes to the proposed Revised Attachment G:

- (1) The Revised Attachment G "should be completed to include energy savings for all of the individual measures" under the umbrella of the Envelope and Air Sealing Measures grouping;

- (2) The Revised Attachment G should “include energy savings by Climate Zone”; and
- (3) The Revised Attachment G should identify the source of each energy savings estimate.

The fundamental question raised in the Opening Comments is, if Attachment G to D.08-11-031 is eliminated, should the Commission adopt a replacement attachment. The answer to that question is yes.

In finding that Attachment G should be eliminated but replaced with a similar list, such as the Revised Attachment G, in some form, the Commission looks to its original intended purpose. In designing the modified “3 Measure Minimum Rule,” in D.08-11-031, the Commission reviewed the IOU’s PY 2009-2011 budget applications and extracted therefrom the specific measures that should qualify under the modified “3 Measure Minimum Rule.” In fact, OP 47 of D.08-11-031 specifically states: “Attachment G to this decision specifies, based on the data the IOUs provided with their applications, which measures qualify [under the modified ‘3 Measure Minimum Rule’].”

The Commission determined that Attachment G to D.08-11-031 would therefore be an essential implementation tool under the modified “3 Measure Minimum Rule” that sets forth a list of measures and corresponding list of energy savings values that the utilities should rely on when they are faced with having to potentially treat homes requiring less than three energy savings measures. In those limited instances, the modified “3 Measure Minimum Rule” directs utilities to look to Attachment G to determine whether the particular one or two energy efficiency measures applicable to the home at issue are on the Attachment G and yield the minimum energy savings. As such, elimination of such an implementation tool would seriously hamper effective implementation of the modified “3 Measure Minimum Rule.”

Having found that the Revised Attachment G, in some form, must be retained for effective implementation of the modified “3 Measure Minimum Rule,” the Commission looks to the IOUs’ and DRA’s alternate recommendations on how the Revised Attachment G may be improved or otherwise further

modified. The Revised Attachment G<sup>16</sup> that we adopt incorporates some of those recommendations. Specifically, the adopted Revised Attachment G incorporates the energy savings values for those individual measures that the parties commented, in their Opening Comments, as having been omitted in the version of the Revised Attachment G that had been attached to the proposed decision (e.g., measures under the umbrella of the Envelope and Air Sealing Measures grouping).

In addition, the adopted Revised Attachment G, in its footnotes, also explains the methodology the Commission used in attributing the approximate energy savings figures to each of the measures. In essence, each measure's corresponding energy savings value is derived from the IOUs' PY 2009-2011 budget applications, which set forth the energy savings data principally from the most recent impact evaluation report, the 2005 Impact Evaluation Report. There are a few instances in which the 2005 Impact Evaluation Report fails to set forth individual energy savings data, but only sets forth a total energy savings data for groupings of measures. In those few instances, an averaging/approximation approach was used where the total energy savings for that group of measures was then divided into the number of individual measures within the group to arrive at an estimation of energy savings figure for the individual measure.

The adopted Revised Attachment G, however, does not breakdown the measures into the 16 climate zones, as recommended by IOUs and DRA. The

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<sup>16</sup> In reviewing the issue of omitted energy savings values in the Revised Attachment G, other minor inaccuracies and errors in energy savings values were noted and corrected in the adopted Revised Attachment G. The footnotes of the adopted Revised Attachment G details those minor corrections and updates made.

recommended listing of all of the qualified measures and corresponding energy savings, by 16 separate climate zones, is infeasible at the present time because neither the energy savings data supplied by the IOUs in their PY 2009-2011 budget applications nor the 2005 Impact Evaluation Report contains usable energy savings data segregated by those 16 separate climate zones. Moreover, even if such energy savings data could somehow be extrapolated from different sources, creating a separate table for each of the four IOUs for each of the measures showing climate zone by climate zone breakdown for each measure would overcomplicate the Revised Attachment G and make it so voluminous that it would become a voluminous unwieldy packet rather than a checklist for efficient modified "3 Measure Minimum Rule" implementation.

Finally, the IOUs' and DRA's overall objection regarding the Revised Attachment G, or any version thereof, seem to stem from their concern that somehow the Revised Attachment G will change status quo concerning the current methodology of energy savings estimates contained within their applications. However, such concern is misguided as the Adopted Revised Attachment G, is not intended to have and has no effect on the methodology of energy savings estimates. Rather, the adopted Revised Attachment G is solely an implementation tool under the modified "3 Measure Minimum Rule" that sets forth a list of measures and corresponding list of approximate energy savings values that the utilities should rely on when they are faced with homes requiring fewer than three energy savings measures. It is a "check list" for determining if the measure/measures qualify(ies) for installation under the modified "3 Measure Minimum Rule." It will also serve as a reference available to the IOUs, the Commission, and interested stakeholders, in understanding what measures are available in qualifying a home for the LIEE program service under the

modified “3 Measure Minimum Rule.” The adopted Revised Attachment G is **NOT** intended to be used for calculation of actual IOU program energy savings - which currently uses a separate methodology not related to this table.

## **6. Assignment of Proceeding**

Dian M. Grueneich is the assigned Commissioner and Kimberly H. Kim is the assigned ALJ in this proceeding.

## **Findings of Fact**

1. In D.08-11-031, the Commission, in part, modified what had commonly been referred to as the “3 Measure Minimum Rule.” Until D.08-11-031, the “3 Measure Minimum Rule” prohibited the IOUs from installing energy savings measures in a home that did not require at least three measures. D.08-11-031 modified and expanded the “3 Measure Minimum Rule.” That modified “3 Measure Minimum Rule” is currently being applied by the IOUs in complying with D.08-11-031.

2. The modified “3 Measure Minimum Rule,” under D.08-11-031, was intended to allow the IOUs to install one or two measures in a home, as long as the total energy savings achieved by either measure or measures combined yield(s) energy savings of at least either 125 kWh/annually or 25 therms/annually, as described in D.08-11-031 and adopted in OP 47 of that decision.

3. Since D.08-11-031, an apparent inconsistency in said decision was discovered in its OP 47 as well as Attachment G to the decision which was referenced by that OP. Said inconsistency created confusion to parties in implementing D.08-11-031.

4. To eliminate this apparent confusion, assigned Commissioner Dian Grueneich and assigned ALJ Kimberly Kim issued the March 2009 Ruling.

The March 2009 Ruling sought comments from parties to proposed clarifications of D.08-11-031 concerning the newly modified “3 Measure Minimum Rule.”

5. The most effective method of resolving the apparent confusion created by Attachment G is to eliminate Attachment G and replace it with the attached Revised Attachment G which, among other things, replaces the grouped measures therein with individual measures.

6. In D.08-11-031, the Commission adopted a pilot project (One-E-App Pilot Project) and allocated funding for said project.

7. Since the issuance of D.08-11-031, an oversight in the One-E-App Pilot Project budget has been discovered. The budget of \$167,000 originally allocated by the Commission for this pilot does not cover the needed maintenance costs incurred by The Center for the 1-year life of the One-E-App Pilot Project.

8. The March 2009 Ruling sought comments from parties concerning proposed modifications to D.08-11-031 to increase the One-E-App Pilot Project budget, to cover reasonable maintenance costs associated with the One-E-App Pilot.

9. PG&E’s request that the One-E-App Pilot Project budget be increased by \$42,000 to cover the maintenance costs for the life of the pilot period is reasonable.

10. Unless D.08-11-031 is clarified and modified concerning the modified “3 Measure Minimum Rule,” the parties will experience ongoing confusion in their application of the rule, and such confusion will frustrate and ultimately compromise the IOUs’ efforts to promote the Commission’s LIEE programs, goals and objectives.

11. Unless D.08-11-031 is modified to increase One-E-App Pilot Budget by \$42,000 to cover the maintenance costs for the One-E-App Pilot project ordered

under D.08-11-031, PG&E will not be able to effectively carry out the pilot as envisioned in that decision.

### **Conclusions of Law**

1. D.08-11-031 should be clarified and modified concerning the modified “3 Measure Minimum Rule” to eliminate confusion in the application of the rule.
2. D.08-11-031 should be modified to increase the One-E-App Pilot Project budget by \$42,000 to cover the maintenance costs.
3. The amount requested in the Joint Utilities’ Comments for increase in One-E-App Pilot budget is reasonable.
4. This proceeding should remain open so that the Commission may continue to monitor the progress of pilots and conduct compliance reviews of the various reports D.08-11-031 requires from the IOUs.

### **O R D E R**

**IT IS ORDERED** that:

1. Decision 08-11-031 is modified concerning the modified “3 Measure Minimum Rule” to eliminate confusion in the application of the rule, as follows:
  - a. Section 11 of Decision 08-11-031 is modified to read as follows:

We modify the “3 Measure Minimum Rule” (which prohibits IOUs from installing measures in a home that does not require at least three measures) in favor of a rule that allows IOUs to install one or two individual measures in a home, as long as the total energy savings achieved by either measure or measures combined yield(s) energy savings of at least either 125 kWh/annually or 25 therms/annually. The Revised Attachment G to this decision identifies which individual measures qualify for installation, if a home requires less than three individual measures. Homes that require three or more individual measures (with Minor Home Repairs qualifying as one individual measure) qualify for LIEE participation *regardless of energy savings*. Additionally, this new energy savings threshold

and the three measures are counted on a household basis, not a program basis.

- b. The second paragraph of Section 11.3 of Decision 08-11-031 is modified as follows:

In an effort to balance these competing issues, we agree to allow certain exceptions to the “3 Measure Minimum Rule.” Specifically, we permit the utilities to deliver fewer than three measures to a home, as long as the total energy savings achieved by either measure or measures combined yield(s) energy savings of at least either 125 kWh/annually or 25 therms/annually. (*See Revised Attachment G.*) The measures that qualify under this new provision will be updated each budget cycle.

- c. Ordering Paragraph 47 of Decision 08-11-031 is modified to read as follows:

We modify the “3 Measure Minimum Rule” (which prohibits IOUs from installing measures in a home that does not require at least three measures) in favor of a rule that allows IOUs to install one or two individual measures in a home, as long as the total energy savings achieved by either measure or measures combined yield(s) energy savings of at least either 125 kWh/annually or 25 therms/annually. The Revised Attachment G to this decision identifies which individual measures qualify for installation, if a home requires fewer than 3 individual measures. Homes that require three or more individual measures (with Minor Home Repairs qualifying as one individual measure) qualify for LIEE participation *regardless of energy savings*. Additionally, this new energy savings threshold and the three measures are counted on a household basis, not a program basis.

- d. Attachment G to Decision 08-11-031 is revised to reflect the adopted modifications to the modified “3 Measure Minimum Rule.” The Revised Attachment G attached hereto as Appendix 1 supersedes the Attachment G to Decision 08-11-031.

2. Decision 08-11-031 is modified to increase the One-E-App Pilot Project budget by \$42,000 to cover the maintenance costs, as follows:

a. The table in Section 1 of Decision 08-11-031 is modified to read as follows:

IOU Proposed Budgets 2009-2011				
Utility	LIEE			
	2009	2010	2011	Cycle Total
PG&E	\$112,702,000	\$152,011,000	\$157,625,000	\$422,338,000
SCE	\$53,594,000	\$54,783,000	\$56,633,000	\$165,010,000
SoCalGas	\$40,599,000	\$65,849,000	\$67,184,000	\$173,631,999
SDG&E	\$21,000,000	\$21,000,000	\$20,250,000	\$62,250,000
<b>Total</b>	<b>\$227,895,000</b>	<b>\$293,643,000</b>	<b>\$301,691,999</b>	<b>\$823,229,999</b>
	CARE			
	2009	2010	2011	Cycle Total
PG&E	\$470,011,651	\$479,331,337	\$489,228,435	\$1,438,571,423
SCE	\$208,541,000	\$213,312,000	\$216,885,000	\$638,738,000
SoCalGas	\$139,132,786	\$140,737,280	\$142,489,637	\$422,359,704
SDG&E	\$49,961,816	\$51,516,795	\$53,064,454	\$154,543,065
<b>Total</b>	<b>\$867,647,253</b>	<b>\$884,897,412</b>	<b>\$901,667,526</b>	<b>\$2,654,212,192</b>

Adopted Budget Summary 2009-2011				
Utility	LIEE			
	2009	2010	2011	Cycle Total
PG&E	\$109,056,366	\$151,067,347	\$156,789,038	\$416,912,752
SCE	\$60,242,000	\$61,561,082	\$63,413,860	\$185,216,942
SoCalGas	\$49,571,908	\$76,872,816	\$78,256,269	\$204,700,993
SDG&E	\$21,184,008	\$21,184,009	\$20,327,606	\$62,695,622
<b>Total</b>	<b>\$240,054,283</b>	<b>\$310,685,254</b>	<b>\$318,786,772</b>	<b>\$869,526,309</b>
	CARE			
	2009	2010	2011	Cycle Total
PG&E	\$470,356,651	\$479,331,337	\$489,228,435	\$1,438,916,423
SCE	\$208,541,000	\$213,312,000	\$216,885,000	\$638,738,000
SoCalGas	\$139,132,786	\$140,737,280	\$142,489,637	\$422,359,704
SDG&E	\$49,961,816	\$51,516,795	\$53,064,454	\$154,543,065
<b>Total</b>	<b>\$ 867,994,262.40</b>	<b>\$ 884,899,422.01</b>	<b>\$ 901,669,537.33</b>	<b>\$ 2,654,557,191.74</b>

- b. The portion of the table in Section 21.1 of Decision 08-11-031 for Pacific Gas and Electric Company is modified to read as follows:

CARE Budget Categories	2009	2010	2011	Total Cycle
Outreach	\$ 5,500,000	\$ 5,700,000	\$ 5,900,000	\$ 17,100,000
Proc., Certification and Verification	\$ 1,800,000	\$ 1,900,000	\$ 2,000,000	\$ 5,700,000
Information Tech./Programming (1)	\$ 300,000	\$ 300,000	\$ 300,000	\$ 900,000
Pilots (2)	\$ -	\$ 75,000	\$ -	\$ 75,000
Measurement and Evaluation	\$ -	\$ -	\$ -	\$ -
Regulatory Compliance	\$ 105,000	\$ 110,000	\$ 115,000	\$ 330,000
General Administration	\$ 500,000	\$ 525,000	\$ 550,000	\$ 1,575,000
CPUC Energy Division Staff	\$ 206,000	\$ 206,000	\$ 206,000	\$ 618,000
Cooling Centers (3)	\$ 350,000	\$ 400,000	\$ 450,000	\$ 1,200,000
One-e-App (Pilot)	\$ 345,000	\$ 0	\$ 0	\$ 345,000
<b>Total Expenses</b>	<b>\$ 9,106,000</b>	<b>\$ 9,216,000</b>	<b>\$ 9,521,000</b>	<b>\$ 27,843,000</b>
Subsidies and Benefits (4)	\$ 461,250,651	\$ 470,115,337	\$ 479,707,435	\$ 1,411,073,423
<b>Total Program Costs and Discounts</b>	<b>\$ 470,356,651</b>	<b>\$ 479,331,337</b>	<b>\$ 489,228,435</b>	<b>\$ 1,438,916,423</b>

- c. The first sentence in the second paragraph in Section 21.1 of Decision 08-11-031 is modified to read as follows:

In addition to the IOU budget request we approve an additional \$209,000 for a pilot to pursue automatic enrollment through One-E-App, and grant PG&E an additional \$136,000 for its work related to the pilot, as discussed later in this decision.

- d. The third paragraph in Section 25.3 of Decision 08-11-031 is modified to read as follows:

The cost of the two-county pilot project described in this proposal is \$209,000, which we allocate to PG&E's CARE budget. Costs include analysis of the population crossover, a Subject Matter Experts (SME) session with CARE program administrators, system configuration, development, testing, training, post-launch support, county engagement, project management, and related maintenance costs.

- e. The table in Section 25.4 of Decision 08-11-031 is modified to read as follows:

PG&E One E App Budget Approval				
Item	Originally Authorized	Requested Amount (for PG&E)	Approved Amount	Total Authorized
PG&E's IT Application Development	\$ -	\$ 157,000	\$ 78,500	\$ 78,500
PG&E's Technical Architecture	\$ -	\$ 23,000	\$ 12,500	\$ 12,500
PG&E's Training and Performance	\$ -	\$ 15,000	\$ 15,000	\$ 15,000
PG&E's Infrastructure Cost	\$ -	\$ 30,000	\$ 30,000	\$ 30,000
Center to Promote Health Care Access	\$ 167,000	\$ 209,000	\$ 209,000	\$ 209,000
<b>Total</b>	<b>\$ 167,000</b>	<b>\$ 434,000</b>	<b>\$ 345,000</b>	<b>\$ 345,000</b>

- f. The table in Section 27 of Decision 08-11-031 is modified to read as follows:

Adopted Budget Summary 2009-2011				
Utility	LIEE			
	2009	2010	2011	Cycle Total
PG&E	\$109,056,366	\$151,067,347	\$156,789,038	\$416,912,752
SCE	\$60,242,000	\$61,561,082	\$63,413,860	\$185,216,942
SoCalGas	\$49,571,908	\$76,872,816	\$78,256,269	\$204,700,993
SDG&E	\$21,184,008	\$21,184,009	\$20,327,606	\$62,695,622
<b>Total</b>	<b>\$240,054,283</b>	<b>\$310,685,254</b>	<b>\$318,786,772</b>	<b>\$869,526,309</b>
	CARE			
	2009	2010	2011	Cycle Total
PG&E	\$470,356,651	\$479,331,337	\$489,228,435	\$1,438,916,423
SCE	\$208,541,000	\$213,312,000	\$216,885,000	\$638,738,000
SoCalGas	\$139,132,786	\$140,737,280	\$142,489,637	\$422,359,704
SDG&E	\$49,961,816	\$51,516,795	\$53,064,454	\$154,543,065
<b>Total</b>	<b>\$ 867,994,262.40</b>	<b>\$ 884,899,422.01</b>	<b>\$ 901,669,537.33</b>	<b>\$ 2,654,557,191.74</b>

- g. Ordering Paragraph 1 of Decision 08-11-031 is modified to read as follows:

We approve 2009-11 Low Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) budgets of the large investor owned utilities (IOUs), Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas), as follows:

Adopted Budget Summary 2009-2011				
Utility	LIEE			
	2009	2010	2011	Cycle Total
PG&E	\$109,056,366	\$151,067,347	\$156,789,038	\$416,912,752
SCE	\$60,242,000	\$61,561,082	\$63,413,860	\$185,216,942
SoCalGas	\$49,571,908	\$76,872,816	\$78,256,269	\$204,700,993
SDG&E	\$21,184,008	\$21,184,009	\$20,327,606	\$62,695,622
<b>Total</b>	<b>\$240,054,283</b>	<b>\$310,685,254</b>	<b>\$318,786,772</b>	<b>\$869,526,309</b>
	CARE			
	2009	2010	2011	Cycle Total
PG&E	\$470,356,651	\$479,331,337	\$489,228,435	\$1,438,916,423
SCE	\$208,541,000	\$213,312,000	\$216,885,000	\$638,738,000
SoCalGas	\$139,132,786	\$140,737,280	\$142,489,637	\$422,359,704
SDG&E	\$49,961,816	\$51,516,795	\$53,064,454	\$154,543,065
<b>Total</b>	<b>\$ 867,994,262.40</b>	<b>\$ 884,899,422.01</b>	<b>\$ 901,669,537.33</b>	<b>\$ 2,654,557,191.74</b>

h. Ordering Paragraph 98 of Decision 08-11-031 is modified to read as follows:

We adopt a One-E-App pilot to be carried out in two counties in PG&E’s territory and allocate \$209,000 to cover The Center to Promote Health Care Access’ (The Center) portion of the pilot. This allocation includes \$42,000 to cover the One-E-App Pilot maintenance costs incurred by The Center. We add this amount to the PG&E CARE budget.

i. Attachments A, M and O to Decision 08-11-031 are revised to reflect the increased funding to the One-E-App Pilot Project. The revised Attachments A, M, and O are attached hereto as Appendices 2, 3, and 4 and supersede the Attachments A, M, and O.

3. These proceedings shall remain open so that the Commission may continue to monitor the progress of pilots and conduct compliance reviews of the various reports Decision 08-11-031 requires from the investor-owned utilities.

This order is effective today.

Dated June 18, 2009, at San Francisco, California.

MICHAEL R. PEEVEY  
 President  
 DIAN M. GRUENEICH

JOHN A. BOHN  
RACHELLE B. CHONG  
TIMOTHY ALAN SIMON  
Commissioners

[Appendix 1 A0805022 et al Kim](#)