

Decision 11-01-045 January 27, 2011

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

Order Instituting Rulemaking to Examine  
the Commission's Energy Efficiency  
Risk/Reward Incentive Mechanism.

Rulemaking 09-01-019  
(Filed January 29, 2009)

**ORDER EXTENDING DEADLINE FOR RESOLVING RULEMAKING**

On January 29, 2009, the Commission instituted this rulemaking to examine the Energy Efficiency Risk/Reward Incentive Mechanism (RRIM).

The proceeding was instituted to address pending incentive claims for the 2006-2008 program cycle and to evaluate prospective modifications to the design and operation of the RRIM which was first adopted in Decision (D.) 07-09-043. As the Commission noted in opening this rulemaking, the methodologies underlying the RRIM process are quite complex.

Pursuant to Pub. Util. Code § 1701.5(a), ratesetting proceedings shall be resolved within 18 months after the issuance of a scoping memo unless the scoping memo sets a later date. The Commission may also, upon making a written determination that the deadline cannot be met, including findings as to the reason, issue an order extending the deadline.

The assigned Commissioner issued his scoping memo on April 14, 2009; therefore, the resolution date was October 14, 2010. D.10-09-038 extended the resolution date to December 13, 2010. D. 10-11-025 extended the resolution date to February 13, 2011. Today's decision extends the statutory deadline, as allowed by § 1701.5(a), to April 14, 2011.

As stated in opening this proceeding, the Commission's intent was to adopt a new framework for the review of the remainder of 2006-2008 energy efficiency activities in a timeframe consistent with awarding interim payments no later than December 2009, and any final payments for the 2006-2008 cycle no later than December 2010. In December 2009, in accordance with that schedule, we issued D.09-12-045, awarding the second installment of interim incentive payments for the 2006-2008 cycle. In December 2010, we issued D.10-12-049 to finalize the final true-up for the 2006-2008 cycle. We expect shortly to resolve issues regarding the prospective design and administration of the RRIM program, but the time required to resolve all relevant issues is expected to extend beyond February 13, 2011.

Accordingly, pursuant to Pub. Util. Code § 1701.5(a), an extension of the current February 13, 2011, deadline is needed.

### **Waiver of Comment Period**

Under Rule 14.6(c)(4) of the Commission's Rules of Practice and Procedure, the Commission may reduce or waive the period for public review and comment of proposed decisions extending the deadline for resolving ratesetting proceedings. Accordingly, the otherwise applicable period for public review and comment is being waived.

### **Assignment of Proceeding**

Michael R. Peevey is the assigned Commissioner and Thomas R. Pulsifer is the assigned Administrative Law Judge in this proceeding.

### **Findings of Fact**

1. The scoping memo in this proceeding was issued on April 14, 2009, and the 18-month deadline for concluding the proceeding was October 14, 2010.

2. In December 2009, in accordance with the adopted schedule, D.09-12-045 was issued, awarding the second installment of interim incentive payments for the 2006-2008 cycle.

3. In December 2010, D.10-12-049 was issued to finalize the 2006-2008 true-up.

4. D.10-09-038 extended the procedural deadline for resolution to December 13, 2010. D.10-11-025 further extended the deadline to February 13, 2011.

5. The Commission expects to address the prospective design and operation of the RRIM program by decision in the near future, but the time required to resolve all relevant issues is estimated to extend beyond February 13, 2011.

### **Conclusions of Law**

1. The statutory deadline of February 13, 2011 imposed by Pub. Util. Code § 1701.5(a) should be extended by an additional 60 days.

2. In accordance with Rule 14.6(c)(4) the comment period should be waived.

**IT IS ORDERED** that the statutory deadline for resolving this proceeding is extended to April 14, 2011.

This order is effective today.

Dated January 27, 2011, at San Francisco, California.

MICHAEL R. PEEVEY

President

MICHEL PETER FLORIO

CATHERINE J.K. SANDOVAL

Commissioners

Commissioner Timothy Alan Simon, being necessarily absent, did not participate.