

Decision 06-07-023 July 20, 2006

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine the Commission's post-2005 Energy Efficiency Policies, Programs, Evaluation, Measurement and Verification, and Related Issues.

Rulemaking 06-04-010
(Filed April 13, 2006)

ORDER APPROVING SAN DIEGO REGIONAL ENERGY OFFICE'S PETITION REGARDING THE COOL COMMUNITIES SHADE TREE PROGRAM

I. Summary

This decision approves a request by the San Diego Regional Energy Office (SDREO) to extend funding for the Cool Communities Shade Tree Program (CCSTP).

II. Background

CCSTP is an existing public goods charge funded energy efficiency program that SDREO has administered for four years. CCSTP serves the residential and select non-residential market, including K-12 schools. The primary objective of the program is to reduce energy and demand by strategically planting shade trees in the San Diego Gas & Electric Company (SDG&E) service territory. The program also educates the public on proper tree care to ensure long-term energy and greenhouse gas savings. To date, 24,000 shade trees have been planted. SDREO estimates an associated 3,744,000 kilowatt-hour (kWh) annual energy savings and demand savings of 4,000 kilowatts (kW). CCSTP has been implemented in partnership with the non-profit organization People for Trees and in close cooperation with local governments.

III. SDREO's Petition

In Decision (D.) 03-12-060, the California Public Utilities Commission (Commission) approved funding of about \$1.8 million for CCSTP for 2004-2005. In November 2005, SDREO submitted a request to SDG&E for funding for CCSTP for 2006-2008, following the Commission-established process. In February 2006, SDG&E filed Advice Letter (AL) 1769-E/1591-G, which among other things rejected the SDREO's request. SDREO, in response to an Energy Division data request, indicated that it was amenable to seeking an extension of the 2004-2005 CCSTP program as an alternative to receiving funding for the 2006-2008 program cycle. On April 28, 2006, the Energy Division approved the SDG&E's Advice Letter.¹ Energy Division stated that if SDREO chooses to pursue a funding extension request for the CCSTP before the Commission, SDG&E must support such a request. In other words, Commission consideration of SDREO's Petition is contingent upon SDG&E's support.

On June 2, 2006, SDREO filed a Petition to Modify D.04-02-059 and D.03-12-060, the Commission's decisions regarding 2004-2005 energy efficiency programs. The Petition seeks to transfer \$1,519,794.32 of unspent SDREO funds from various programs to extend the CCSTP.

SDREO states that the CCSTP has been a highly successful program. The trees planted through the program not only bring verified energy savings, but also help to mitigate climate change and reduce the urban heat island effect.

¹ Energy Division Disposition of SDG&E's AL 1769-E/1591-G, April 28, 2006.

SDREO projects a Total Resource Cost ratio goal of 1.82. SDREO proposes to evaluate the cost-effectiveness of the extended CCSTP using the E3 calculator that was produced to help evaluate the 2006 and beyond programs.

SDREO also proposes to expand tree planting opportunities to public agencies and non-profit organizations; in other words, to partner with these organizations to implement the program. Several of these organizations have requested to participate in the program, but have thus far been outside its scope. SDREO states this participant eligibility expansion will create an opportunity to reach new, untapped market sectors in need of energy-saving shade trees and will incorporate hard-to-reach components of CCSTP.

SDG&E supports the SDREO's request. SDG&E suggests two minor modifications to the Petition. First, SDG&E recommends that CCSTP be modified to limit, on a best efforts basis, customer eligibility to pre-1994 residences located in climate zone 10 or higher. Second, SDG&E recommends the use of an independent third-party evaluator to analyze the cost-effectiveness of the program under a variety of factual circumstances. SDREO agrees to the modifications suggested by SDG&E.

IV. Discussion

We will approve SDREO's request to transfer unspent 2004-2005 funds to extend the program into 2006 and beyond, with the modifications suggested by SDG&E. We will also approve SDREO's request to expand tree planting opportunities to public agencies and non-profit organizations.

V. Comments on Draft Decision

This is an uncontested matter in which the decision grants the relief requested. Accordingly, pursuant to Pub. Util. Code § 311(g)(2), the otherwise applicable 30-day period for public review and comment is being waived.

VI. Assignment of Proceeding

Dian M. Grueneich is the Assigned Commissioner and Meg Gottstein is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. In D.03-12-060, the Commission approved funding of about \$1.8 million for SDREO's CCSTP for 2004-2005. D.04-02-059 modified D.03-12-060 to fund the program at \$1,894,924.

2. SDREO seeks to transfer \$1,519,794.32 of unspent funds to extend the CCSTP for 2006 through 2008.

Conclusions of Law

1. D.04-02-059 and D.03-12-060 should be modified to allow SDREO's CCSTP to use unencumbered funds from the 2004-2005 budget to continue the program through the 2006-2008 program cycle, subject to the modifications discussed herein.

2. Per Rule 77.7(f)(2) of the Commission's Rules of Practice and Procedure, the comment period for this uncontested matter may be waived.

O R D E R

IT IS ORDERED that:

1. The San Diego Regional Energy Office may extend its Cool Communities Shade Tree Program with San Diego Gas & Electric Company by using unexpended funds from 2004-2005, with the modifications discussed herein. The program is expanded to include tree planting opportunities for public agencies and non-profit organizations.

2. Decision (D.) 04-02-059 and D.03-12-060 are modified consistent with Ordering Paragraph 1.

3. The comment period for today's decision is waived.

This order is effective today.

Dated July 20, 2006, at San Francisco, California.

MICHAEL R. PEEVEY
President
GEOFFREY F. BROWN
DIAN M. GRUENEICH
JOHN A. BOHN
RACHELLE B. CHONG
Commissioners