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

Order Instituting Rulemaking  
Concerning Energy Efficiency Rolling  
Portfolios, Policies, Programs,  
Evaluation, and Related Issues.

Rulemaking 13-11-005

**ASSIGNED COMMISSIONER AND  
ADMINISTRATIVE LAW JUDGES' AMENDED SCOPING RULING**

This ruling sets forth an amended scope and schedule for this proceeding to address new and outstanding issues concerning the California Public Utilities Commission's (Commission) energy efficiency policy and programs.

**1. Procedural Background**

This rulemaking is the most recent in a series of ongoing proceedings conducted by the Commission, providing a venue for policy changes and regulatory oversight associated with the energy efficiency programs of the large investor-owned electric and natural gas utilities, community choice aggregators (CCAs), and regional energy networks (RENs).

On July 3, 2020, the assigned Commissioner and Administrative Law Judges (ALJs) issued an amended Scoping Memo and established a schedule for addressing various issues related to the unprecedented impacts of the COVID-19 pandemic, among other things.

Since the issuance of the July 3, 2020 Scoping Memo, the Commission has addressed a number of energy efficiency matters, including:

- Decision (D.) 20-11-013 imposed a moratorium on the efficiency savings and performance incentive (ESPI) program, deferring consideration of possible reforms until

certain proposed changes to energy efficiency portfolio management and administration are disposed of.

- D.21-01-004 provided directions to the large investor-owned utilities (IOU) for funding the School Energy Efficiency Stimulus Program, established by Assembly Bill 841 (Stats. 2020, Chap. 372) and under administration of the California Energy Commission (CEC).
- D.21-05-031 adopted a new metric, total system benefit, for the identification of energy efficiency potential and setting goals; adopted a new approach to segmenting energy efficiency portfolios according to a program's primary purpose (resource acquisition, market support, or equity); and addressed changes to the rolling portfolio framework and regulatory processes proposed by stakeholders in the context of the California Energy Efficiency Coordinating Committee (CAEECC).
- D.21-09-002 adopted a settlement agreement concerning San Diego Gas & Electric Company's 2017-2019 upstream lighting program.
- D.21-09-037 adopted energy efficiency goals for 2022-2032.
- D.21-11-013 approved the energy efficiency business plan of the Inland Regional Energy Network.
- D.21-12-011 authorized new programs to enhance Summer 2022 and 2023 electric reliability.

Also, we have received pleadings on two orders to show cause (OSC) concerning Southern California Gas Company's (SoCalGas) codes and standards advocacy during different time periods (2014-2017, and 2018 and beyond). Regarding SoCalGas's 2014-2017 codes and standards advocacy, a Presiding Officer's decision was issued on April 21, 2021. The Commission received two timely appeals of the Presiding Officer's decision, and resolution of that OSC is pending as of the date of this ruling. A Presiding Officer's decision

on the OSC regarding SoCalGas's codes and standards advocacy for 2018 and beyond is also pending.

Work remains to address policy for other outstanding topics including financing programs, workpaper process reform, potential reforms to the incentive mechanism for energy efficiency programs, custom projects and industrial program review processes, and ongoing accounting and funding issues. Work on these issues, along with the long list of ongoing policy issues in energy efficiency, is either already underway or may still be addressed in the scope of this proceeding, as issues arise.

## **2. Scope**

We take this opportunity to update the scope of this proceeding to address issues that remain pending, and new issues arising since the last Scoping Memo was issued.

### **2.1. Implementation issues associated with new programs to address summer reliability**

On December 2, 2021, the Commission adopted D.21-12-011 which authorizes new programs to address Summer 2022 and 2023 electric reliability needs. We anticipate the need to provide implementation guidance leading up to the launch of these new programs.

### **2.2. Policy or procedural matters arising from 2024-2027 portfolio applications**

We anticipate receiving at least eight 2024-2027 portfolio applications/proposals -- from the four large utilities, the three regional energy networks, and Marin Clean Energy -- in February 2022. As with the 2018-2025 business plans, the Commission will likely address the 2024-2027 proposals in one consolidated application proceeding. During the course of such

consideration, we may seek parties' input on issues that would impact energy efficiency policy beyond the 2024-2027 proposals.

### **2.3. Potential modifications to third-party solicitation process**

Commission staff have been monitoring solicitations and assessing the effectiveness of the current process, particularly with respect to facilitating meaningful participation by smaller and more diverse vendors, and in providing an optimal degree of transparency and responsiveness to bidder feedback. Apart from staff's guidance for their upcoming portfolio proposals, which we expect the utilities' applications to comprehensively address, we intend to consider new or modified guidance regarding the IOUs' current solicitation processes, including changes that would facilitate better alignment with our intent to expand the energy efficiency market to include a diversity of contracts, including from new, small, diverse and innovative program implementers (for example, revisiting a two-stage vs. single-stage process).<sup>1</sup>

### **2.4. Potential modifications for natural gas energy efficiency**

As the Commission continues to move towards greater decarbonization of buildings and the economy, we may consider whether and how to modify energy efficiency policy to better align with broader decarbonization objectives.

### **2.5. Other issues**

Some other issues are already being addressed within the scope of this proceeding, with work already underway for those issues to be addressed.

Those issues include, but are not limited to:

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<sup>1</sup> See D.21-05-031, revised Attachment A (version finalized on July 15, 2021), at 6; accessible at <https://www.cpuc.ca.gov/industries-and-topics/electrical-energy/demand-side-management/energy-efficiency/rolling-portfolio-program-guidance>.

- Potential consideration of opportunities for electric and natural gas utility shareholders to earn financial incentives for delivering successful energy efficiency programs and energy savings (*see* D.20-11-013);
- Pending issues related to the upstream lighting programs of 2017 and 2018 (*see* ALJ rulings issued January 9, 2020 and April 3, 2020 and D.21-09-002);
- Implementation of the market transformation framework adopted in D.19-12-021;
- Accounting and funding issues, including budgets and revenue requirement issues, expenditures, unspent funds, commitments, allowable expenses, budgets caps and targets, and fund shifting rules;
- Evaluation, measurement, and verification issues, including normalized metered energy consumption rules;
- Modifications to the review and tracking of expected energy savings from energy efficiency measures, either through workpapers, the Custom Project Review process, the California Technical Forum, the electronic Technical Reference Manual, or otherwise;
- Commission oversight of CCA and REN energy efficiency programs and budgets;
- Coordination with the CEC on the goals articulated in Senate Bill 350 (DeLeon, 2015) for doubling of energy efficiency in buildings by 2030;
- Oversight and continual development of the statewide administration of energy efficiency program;
- Financing programs, including those overseen by the California Alternative Energy and Advanced Transportation Financing Authority;
- Coordination with the integrated distributed energy resource rulemaking (R.14-10-003) related to cost-effectiveness and locational targeting of energy efficiency; and

- Consideration of any Environmental and Social Justice Action Plan goals adopted by the Commission.

We do not include a specific schedule for the above items at this time. We may issue additional rulings and/or decisions at a later date to clarify whether and how work on these items will proceed.

### 3. Schedule

The table below outlines a basic schedule that we intend to follow for the remaining issues in this proceeding for which activities are currently planned. The table is divided into areas for each of the topics covered in Section 2 above related to the scope of the proceeding. Additional dates or activities for topics for which there are no tasks currently scheduled may be added at a later date. In addition, workshops may be scheduled later on some of the topics. Notice of such workshops will be posted on the Commission’s Daily Calendar and noticed to the service list for this proceeding, to inform the public that a decision-maker or an advisor may be present at those meetings or workshops. Parties should check the Daily Calendar regularly for such notices.

Topic/Event	Date
Resolution of OSC phases involving SoCalGas	1 <sup>st</sup> and 2 <sup>nd</sup> Quarters of 2022
Remaining lighting enforcement issues	Second Quarter of 2022
Issues associated with new portfolio applications	Second half of 2022
Rules associated with CCAs who elect to administer energy efficiency programs and RENs	Second half of 2022
Ongoing issues associated with implementation of market transformation policy, third-party solicitations, summer reliability programs, etc.	Throughout 2022 and 2023
Other issues	Ongoing/as needed

The assigned Commissioner or assigned ALJs may modify this schedule as necessary to promote the efficient management and fair resolution of this proceeding. Additional dates may be scheduled as additional issues within the scope are raised that must be addressed or decided. It is our intent to complete this proceeding within 18 months of the date this Scoping Memo is issued. This deadline may be extended by order of the Commission.

#### **4. Categorization, Need for Hearing, and Presiding Officer**

As in previous Phases of this proceeding, we confirm that the categorization of this rulemaking is ratesetting, except for the portion related to the OSCs. As provided in Rules 1.3(a) and 8.2(b) of the Commission's Rules of Practice and Procedure (Rules), the OSC portion of this proceeding is categorized as adjudicatory. We also confirm that hearings are not required for the main part of the proceeding.

Genevieve Shiroma is the assigned Commissioner and Julie A. Fitch and Valerie U. Kao are the assigned ALJs. Pursuant to Public Utilities Code Section 1701.3 and Rule 13.2, Julie A. Fitch and Valerie U. Kao will continue to serve as the presiding officers.

#### **5. *Ex Parte* Communications**

In a ratesetting proceeding such as this one, *ex parte* communications with the assigned Commissioner, other commissioners, their advisors, and the ALJs are restricted and must be reported as described in Article 8 of the Commission's Rules. *Ex parte* communications are prohibited in the OSC portion of this proceeding.

#### **6. Filing, Service, and Service List**

The official service list has been created and is on the Commission's website. Parties should confirm that their information on the service list is

correct, and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4. When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents; however, the ALJs in this proceeding do not require paper copies and request only electronic service. When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so. Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at [process\\_office@cpuc.ca.gov](mailto:process_office@cpuc.ca.gov) to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

## **7. Response to Public Comments**

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the "Add Public Comment" button on the "Public Comment" tab of the online docket card for the proceeding.

## **8. Public Advisor**

Any person interested in participating in this proceeding who is unfamiliar with the Commission's procedures or has questions about the



electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission's Public Advisor at 1-866-849-8390 or 1-866-836-7825 (TTY), or send an e-mail to [public.advisor@cpuc.ca.gov](mailto:public.advisor@cpuc.ca.gov).

**9. Receiving Electronic Service from the Commission**

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive emails from the Commission. Please add "@cpuc.ca.gov" to your e-mail safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

**IT IS RULED** that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Further evidentiary hearing is not needed.

This order is effective today.

Dated December 23, 2021, at San Francisco, California.

/s/ GENEVIEVE SHIROMA  
Genevieve Shiroma  
Assigned Commissioner

/s/ JULIE A. FITCH  
Julie A. Fitch  
Administrative Law Judge

/s/ VALERIE U. KAO  
Valerie U. Kao  
Administrative Law Judge