



**FILED**

07/10/23

01:00 PM

R2211013

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

Order Instituting Rulemaking to Consider Distributed Energy Resource Program Cost-Effectiveness Issues, Data Access and Use, and Equipment Performance Standards.

Rulemaking 22-11-013

**ADMINISTRATIVE LAW JUDGE'S RULING REQUESTING PARTY  
COMMENTS ON ADDITIONAL REIMBURSABLE FUNDS FOR THE 2024  
AVOIDED COST CALCULATOR UPDATE PROCESS**

**1. Background**

Decision (D.) 16-06-007, issued in Rulemaking (R.) 14-10-003, Order Instituting Rulemaking (OIR) on Integrated Distributed Energy Resources (IDER), on June 9, 2016, authorized the Commission's Executive Director to hire and manage one or more contractors to provide the Commission with technical assistance in performing an annual Avoided Cost Calculator (ACC) update and provided funding for the ACC update process.<sup>1</sup> The Executive Director may expend up to the maximum funding allowed and is reimbursed by the utilities for the costs incurred. The utilities are to then record these costs in a memorandum account and seek recovery of these costs in their respective

---

<sup>1</sup> This funding includes an ongoing annual fund of \$100,000 in reimbursable expenses beginning in the 2019-2020 Fiscal Year. Unspent money was allowed to be carried over to subsequent fiscal years.

general rate case proceedings by demonstrating that the costs are reasonable and incremental.<sup>2</sup>

In December 2018, the Commission issued a Request for Proposal (RFP) and engaged in a competitive solicitation process to hire a consultant to provide technical assistance on the cost effectiveness studies and the Avoided Cost Calculator update in the IDER OIR proceeding, R.14-10-003.<sup>3</sup> As a result of the RFP, the Commission selected Energy and Environmental Economics (E3) as the lead consultant. On April 23, 2019, the Commission executed a contract with E3 for a period of three years, from May 13, 2019 to May 13, 2022, which has the option of extending the contract for a one-year period twice. The Commission's contract with E3 was amended on October 11, 2022, which extended the contract to May 13, 2024. With this contract, the Commission retains E3 as the consultant that will assist the Commission in updating the 2024 ACC.

## **2. Additional Funds Needed**

The Commission estimates that \$540,000 is needed for the 2024 ACC Update. This is consistent with past expenditure. The 2022 ACC Update process, which also used E3 as the lead consultant, cost \$519,357. Even given the funds carried over from previous ACC update cycles and other proceedings<sup>4</sup>, the

---

<sup>2</sup> Pacific Gas and Electric Company records these costs in the Avoided Costs Calculator Update Memorandum Account (ACCUMA). Southern California Edison records these costs in the Avoided Cost Calculator Memorandum Account (ACCMA). San Diego Gas & Electric Company records these costs in the Avoided Cost Calculator Update Memorandum Account (ACCUMA). Southern California Gas Company records these costs in the Avoided Cost Calculator Update Memorandum Account (ACCUMA).

<sup>3</sup> RFP 18PS500.

<sup>4</sup> Carry-over funds consist of (1)\$95,000 in funding carried over within the existing contract (Agreement Number 18PS5003), (2) \$190,000 allocated from the Integrated Resources Planning proceeding (R.16-02-007) to support discrete tasks in support of that proceeding's overlapping goals within the ACC process, (Agreement Number 18NC1043), and (3)\$180,000 allocated from

current funds are not sufficient to pay for expenses needed for 2024 ACC Update process. Current funds will run out by the end of 2023.

A Commission decision will need to be issued by the third quarter of 2023 to ensure that the 2024 ACC Update process will not be delayed by an interruption in funding.

**3. Party Comments**

Through this Ruling, parties are given an opportunity to provide comments on whether the Commission should authorize an additional \$250,000 in reimbursable funds for the 2024 ACC Update process according to the schedule below.

Opening Comments on Additional Funding Needs	July 17, 2023
Reply Comments on Additional Funding Needs	July 21, 2023

After considering comments from parties, the assigned Administrative Law Judge will issue a proposed decision addressing the additional funding needs for the 2024 ACC Update process.

**IT IS RULED** that parties may serve and file comments on the issue of whether the Commission should authorize an additional \$250,000 in reimbursable funds for the 2024 ACC Update process according to the schedule set forth above.

---

the Net Energy Metering Revisit proceeding (R.20-08-020) in support of development of the Avoided Cost Calculator to support that proceeding's overlapping goals within the ACC process.

R.22-11-013 ALJ/EC2/mph

Dated July 10, 2023, at San Francisco, California.

/s/ ELAINE C. LAU  
\_\_\_\_\_  
Elaine C. Lau  
Administrative Law Judge