

Decision 19-02-030 February 26, 2019

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

Order Instituting Rulemaking to Identify Disadvantaged Communities in the San Joaquin Valley and Analyze Economically Feasible Options to Increase Access to Affordable Energy in those Disadvantaged Communities.

Rulemaking 15-03-010

**ORDER CORRECTING ERROR**

The Commission has been informed of several errors in D.18-12-015, which this order corrects.

**1. Ordering Paragraph 3**

Ordering Paragraph (OP) 3 of Decision (D.)18-12-015 inadvertently states that Pacific Gas and Electric Company's (PG&E) pilot project for Alpaugh is approved. The text correctly states on page 63 that the administrator approved for a pilot project in the community of Alpaugh is the third-party program administrator/ pilot implementer (PA/PI). Pursuant to Resolution A-4661, OP 3 is revised to read,

We approve Pacific Gas and Electric Company's (PG&E) pilot projects for ~~Alpaugh~~, Allensworth, Seville and Cantua Creek as modified by this decision. PG&E is authorized to recover \$9,655,835 for these projects. All costs shall be treated as expenses but including the capital expenditure treatment as expenses for these pilots shall not set a precedent for the future. If gas options move forward for Allensworth and/or Seville as provided for in this decision, PG&E shall not recover the funding authorized for the Allensworth and/or Seville electrification pilot budget(s).

## 2. Ordering Paragraph 5

OP 5 of D.18-12-015 inadvertently states the amount of budget approved for Southern California Gas Company's approved pilot project in California City as \$5,641,100. The correct approved budget amount for this community is \$5,591,100, as indicated in Table 24 and on page 61, which states, "we approve a new budget authorization of \$5,591,100 for SoCalGas to implement its proposed pilots in California City, as described in its September 10, 2018 Updated Pilot Project and October 3, 2018 Revised Exhibit 16 and as modified in this decision."

Pursuant to Resolution A-4661, OP 5 is revised to read,

"We approve Southern California Gas Company's (SoCalGas) pilot projects for California City as set forth in this decision. SoCalGas is authorized to recover ~~\$5,641,100~~ \$5,591,100 for administering the gas pilot for California City."

## 3. Ordering Paragraphs 7 and 8

OP 7 and OP 8 of D.18-12-015 inadvertently omit naming the communities of Alpaugh and Lanare. These communities are correctly stated as approved for a third-party Program Administrator /Program Implementer (PA/PI) selected via a request for proposals managed by PG&E on page 63. In addition, OP 7 inadvertently fails to state that California Public Utilities Commission staff will select the third-party PA/PI as correctly stated on page 52, which reads, "Commission staff will play a central role in developing the RFP and will make the final decision on the winning bidder."

Pursuant to Resolution A-4661, OP 7 and OP 8 are revised to read,

OP 7: We direct Pacific Gas and Electric Company (PG&E) to support the selection of a third-party pilot administrator and pilot implementer (PA/PI) for the communities of Alpaugh, Lanare, Fairmead, La Vina, and Le Grand through a competitive request for proposal (RFP) selection process and to manage the RFP process on the Commission's behalf. Commission staff will select the PA/PI through a request for proposal process managed by PG&E on behalf of the Commission. PG&E will conclude the RFP process and sign a contract with the winning PA/PI no later than June 30, 2019,

unless a different date is determined through a letter from the Commission's Energy Division.

OP 8: We approve a budget of \$25,754,613 for pilot projects in Alpaugh, Lanare, Fairmead, La Vina and Le Grand. PG&E is authorized to recover \$25,754,613 for these projects. All costs shall be treated as expenses but including the capital expenditure treatment as expenses for these pilots shall not set a precedent for the future.

#### **4. Ordering Paragraph 13**

OP 13 inadvertently directs PG&E and Southern California Gas Company (SoCalGas) to file Tier 2 Advice Letters modifying the California Solar Initiative Thermal Program incentive levels to provide fully-subsidized solar thermal water heating systems to eligible pilot participating households, rather than granting them the authority to file such advice letters. The correct description is on page 112, which states, "As we did in response to the Aliso Canyon Emergency, we also grant SoCalGas and PG&E the authority to file Tier 2 CSI Thermal SJV DAC Advice Letters modifying their CSI Thermal Program incentive levels to provide fully-subsidized solar thermal water heating systems to eligible pilot participating households." In addition, OP 13 states that the Advice Letters must be filed within 60 days of adoption of D.18-12-015, whereas text on page 112 correctly omits a timing requirement for these Advice Letters.

OP 13 is revised to read:

We grant Pacific Gas and Electric Company and Southern California Gas Company ~~are directed the authority~~ to file Tier 2 Advice Letters modifying the California Solar Initiative Thermal Program incentive levels to provide fully-subsidized solar thermal water heating systems to eligible pilot participating households. ~~within 60 days of adoption of this decision.~~

**5. Table 25**

Table 25 inadvertently inaccurately sums the total target number of homes approved to be treated in the approved pilot projects for the third-party PA/PI, PG&E, SoCalGas and for all PAs. The correct total number of homes targeted for treatment in the pilot is correctly stated on page three of D.18-12-015 as 1,981 and also indicated in Table 26. The correct total approved target number of homes to treat in each community for the third-party PA/PI is 902; for PG&E is 369; and for SoCalGas, is 224.

Table 25 is revised to read:

**Table 25: Forecast of Homes Treated, Approved Pilots and MPT**

|                               | <b>Total HH</b> | <b>HH Without Nat Gas</b> | <b>Third-party PA/PI</b>       | <b>PG&amp;E</b>               | <b>SCE</b> | <b>SoCalGas</b>              |
|-------------------------------|-----------------|---------------------------|--------------------------------|-------------------------------|------------|------------------------------|
| Allensworth                   | 116             | 106                       |                                | 106                           |            |                              |
| Alpaugh                       | 225             | 46                        | 46                             |                               |            |                              |
| Cal City                      | 5,254           | 1,110                     |                                |                               | 100        | 224                          |
| Cantua Creek                  | 119             | 106                       |                                | 106                           |            |                              |
| Ducor                         | 222             | 222                       |                                |                               | 222        |                              |
| Fairmead                      | 401             | 253                       | 253                            |                               |            |                              |
| Lanare                        | 150             | 17                        | 17                             |                               |            |                              |
| La Vina                       | 165             | 84                        | 84                             |                               |            |                              |
| Le Grand                      | 502             | 502                       | 502                            |                               |            |                              |
| Seville                       | 104             | 104                       |                                | 104                           |            |                              |
| West Goshen                   | 127             | 127                       |                                |                               | 127        |                              |
| MPT*                          |                 |                           |                                | 53                            |            |                              |
| Total per PA                  | 7,385           | 2,677                     | <del>1,008</del><br><u>902</u> | <del>1316</del><br><u>369</u> | 449        | <del>434</del><br><u>224</u> |
| <b>Total, all Communities</b> |                 |                           | <del>1,944</del> <b>1,891</b>  |                               |            |                              |

\* MPT will receive CSI Solar Thermal technologies only.

**6. Approved Third-Party PA/PI Budget**

Text on page 63 of D.18-12-015 inadvertently omits explaining modifications to the Clean Energy Team’s proposed budget prior to its approval. Text on page 79 summarizes the modifications by stating, “we also note that the

proposed decision erred in both retaining the costs of the additional 20% bill discount as proposed by the CEP Team and adding an additional \$500/household for bill protection. We have corrected the final adopted budget to account for this error.” In addition, footnote 86 to Table 24 on page 60 provides a detailed explanation of the modifications. Footnote 86 reads,

Based on IOU and CEP Team’s Revised Updated Pilot Project Proposals, filed between October 1 – October 8, 2018. Note: the PD erred and included the CEP Team’s proposed additional 20% bill discount in Table 24. The final decision corrects this error by removing these costs, set forth in Table 4 of the CEP Team’s proposal, (A6, 17-22) and then adding back additional budget to fully subsidize all participating households in the approved communities, using the data in Table 1 (A6, 2-6). The number of participating households for Le Grand has correspondingly been increased to 502, as proposed by the CEP Team. The final bill protection measures will be determined after workshops to be scheduled consistent with this decision. (See Section 11.2 for a discussion of Bill Protection costs.)

Therefore, text on page 58, Section 10, is revised to read:

We therefore approve the CEP Team’s proposed Alpaugh and Lanare budget with minor modifications. We remove the CEP Team’s proposed budget for its proposed additional 20% bill discount (See Section 11.2) and add budget sufficient to fully fund appliance subsidies for households with incomes of up to 400% Federal Poverty Guidelines (FPG) (See Section 11.1). This yields an approved budget of \$2,223,253 for the communities of Alpaugh and Lanare, plus funds for CEN support and bill protection. Section 11.6 determines not to authorize the single-appliance approach that PG&E proposed for Alpaugh and other communities, and PG&E proposed a CEN-only approach for Lanare. Thus, the CEP Team’s proposed Alpaugh and Lanare budgets were the least costly electrification alternatives presented. We also authorize the participation of both communities in a CSGT project developed in coordination with the pilot effort (see Section 12.1), or in the DAC-GT, as they desire. We also approve the CEP Team’s proposed Fairmead, La Vina and

Le Grand budgets with minor modifications. We remove the CEP Team’s proposed budget for its proposed additional 20% bill discount (See Section 11.2) and add budget sufficient to fully fund appliance subsidies for households with incomes of up to 400% FPG (See Section 11.1). This yields an approved budget of \$22,663,760 for pilots in the communities of Fairmead, La Vina and Le Grand as well as \$363,6600 in funding for the CEN Program and \$504,000 for bill protection in all five of these communities, bringing the total budget approved for the third-party PA/PI RFP to \$25,754,613, as reflected in Table 24. We further clarify that the CEP Team’s Updated Proposal for Le Grand included a budget to serve all 502 households in this community and we have updated the forecast of homes treated for this community accordingly in Table 25. As discussed in Section 8, we direct PG&E to work with Commission Energy Division staff to hold a competitive RFP seeking an independent third-party PA/PI to implement pilots as described by the CEP Team in these five communities.

**7. Table 5**

Table 5 on page 19 of D.18-12-015 inadvertently switched the Clean Energy Pilot Team’s estimated costs for low-income non-fuel switching and non-low-income fuel-switching customers. Table 5 should be corrected as follows:

**Table 5: The CEP Team’s Proposed Customer Subsidy Budgets**

| Customer Type                                | PG&E Average Customer Budget                        | SCE Average Customer Budget          |
|--|---|--------------------------------------|
| Low-income fuel switching households         | \$18,600 + \$3,000 (ESA)                            | \$18,710 + \$3,000 (ESA)             |
| Low income non-fuel switching households     | <del>\$10,510 + \$500 (MIDI)</del><br>\$3,000 (ESA) | \$10,620<br>\$3,000 (ESA)            |
| Non-low-income fuel switching households     | <del>\$3,000 (ESA)</del><br>\$10,510 + \$500 (MIDI) | <del>\$3,000 (ESA)</del><br>\$10,620 |
| Non-low-income non-fuel switching households | \$500 (MIDI)  | None                                 |

**8. Additional minor errors**

Table 26 on page 61 of D.18-12-015 inadvertently includes two asterisks next to the community names of Alpaugh and Lanare, which should be deleted.

The asterisk footnote to Table 26 inadvertently refers to Table 25 but should refer to Table 24.

The reference to Section 9.3 on page 50 should instead refer to Section 12.2. Therefore, pursuant to Resolution A-4661:

**IT IS ORDERED** that Decision 18-12-015 is corrected as follows:

1. Ordering Paragraph 3 of Decision 18-12-015 is corrected to state:

We approve Pacific Gas and Electric Company's (PG&E) pilot projects for Allensworth, Seville and Cantua Creek as modified by this decision. PG&E is authorized to recover \$9,655,835 for these projects. All costs shall be treated as expenses but including the capital expenditure treatment as expenses for these pilots shall not set a precedent for the future. If gas options move forward for Allensworth and/or Seville as provided for in this decision, PG&E shall not recover the funding authorized for the Allensworth and/or Seville electrification pilot budget(s).

2. Ordering Paragraph 5 of Decision 18-12-015 is corrected to state:

We approve Southern California Gas Company's (SoCalGas) pilot projects for California City as set forth in this decision. SoCalGas is authorized to recover \$5,591,100 for administering the gas pilot for California City.

3. Ordering Paragraph 7 of Decision 18-12-015 is corrected to state:

We direct Pacific Gas and Electric Company (PG&E) to support the selection of a third-party pilot administrator and pilot implementer (PA/PI) for the communities of Alpaugh, Lanare, Fairmead, La Vina, and Le Grand through a competitive request for proposal (RFP) selection process and to manage the RFP process on the Commission's behalf. Commission staff will select the PA/PI through a request for proposal process managed by PG&E on behalf of the Commission. PG&E will conclude the RFP process and sign a contract with the winning PA/PI no later than June 30, 2019, unless a different date is determined through a letter from the Commission's Energy Division.

4. Ordering Paragraph 8 of Decision 18-12-015 is corrected to state:

We approve a budget of \$25,754,613 for pilot projects in Alpaugh, Lanare, Fairmead, La Vina and Le Grand. PG&E is authorized to recover \$25,754,613 for these projects. All costs shall be treated as expenses but including the capital expenditure treatment as expenses for these pilots shall not set a precedent for the future.

5. Ordering Paragraph 13 of Decision 18-12-015 is corrected to state:

Pacific Gas and Electric Company and Southern California Gas Company are granted authority to file Tier 2 Advice Letters modifying the California Solar Initiative Thermal Program incentive levels to provide fully-subsidized solar thermal water heating systems to eligible pilot participating households.

6. Table 25 of Decision 18-12-015 is corrected as follows:

|                               | <b>Total<br/>HH</b> | <b>HH<br/>Without<br/>Nat Gas</b> | <b>Third-<br/>party<br/>PA/PI</b> | <b>PG&amp;E</b> | <b>SCE</b> | <b>SoCalGas</b> |
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| Le Grand                      | 502                 | 502                               | 502                               |                 |            |                 |
| Seville                       | 104                 | 104                               |                                   | 104             |            |                 |
| West Goshen                   | 127                 | 127                               |                                   |                 | 127        |                 |
| MPT*                          |                     |                                   |                                   | 53              |            |                 |
| Total per PA                  | 7,385               | 2,677                             | 902                               | 369             | 449        | 224             |
| <b>Total, all Communities</b> |                     |                                   | <b>1,891</b>                      |                 |            |                 |

7. Text on page 58 of Decision 18-12-015 is corrected to state:

We therefore approve the CEP Team’s proposed Alpaugh and Lanare budget with minor modifications. We remove the CEP Team’s proposed budget for its proposed additional 20% bill discount (See Section 11.2) and add budget sufficient to fully fund appliance subsidies for households with incomes of up to 400% Federal Poverty Guidelines (FPG) (See Section 11.1). This yields an approved budget of \$2,223,253 for the communities of Alpaugh and Lanare, plus

funds for CEN support and bill protection. Section 11.6 determines not to authorize the single-appliance approach that PG&E proposed for Alpaugh and other communities, and PG&E proposed a CEN-only approach for Lanare. Thus, the CEP Team’s proposed Alpaugh and Lanare budgets were the least costly electrification alternatives presented. We also authorize the participation of both communities in a CSGT project developed in coordination with the pilot effort (see Section 12.1), or in the DAC-GT, as they desire. We also approve the CEP Team’s proposed Fairmead, La Vina and Le Grand budgets with minor modifications. We remove the CEP Team’s proposed budget for its proposed additional 20% bill discount (See Section 11.2) and add budget sufficient to fully fund appliance subsidies for households with incomes of up to 400% FPG (See Section 11.1). This yields an approved budget of \$22,663,760 for pilots in the communities of Fairmead, La Vina and Le Grand as well as \$363,6600 in funding for the CEN Program and \$504,000 for bill protection in all five of these communities, bringing the total budget approved for the third-party PA/PI RFP to \$25,754,613, as reflected in Table 24. We further clarify that the CEP Team’s Updated Proposal for Le Grand included a budget to serve all 502 households in this community and we have updated the forecast of homes treated for this community accordingly in Table 25. As discussed in Section 8, we direct PG&E to work with Commission Energy Division staff to hold a competitive RFP seeking an independent third-party PA/PI to implement pilots as described by the CEP Team in these five communities.

8. Table 5 in D.18-12-015 is corrected as follows:

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| Non-low-income fuel switching households     | \$10,510 + \$500 (MIDI)      | \$10,620                    |
| Non-low-income non-fuel switching households | \$500 (MIDI)                 | None                        |

9. Additional minor errors in D.18-12-015 are corrected as indicated in this decision.

10. R.15-03-010 remains open.

This order is effective today.

Dated February 26, 2019, at San Francisco, California.

/s/ MARYAM EBKE for

ALICE STEBBINS  
Executive Director