Decision 11-04-005 April 14, 2011

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of its 2009-2011 Energy Efficiency Program Plans and Associated Public Goods Charge (PGC) and Procurement Funding Requests.	Application 08-07-021 (Filed July 21, 2008)
And Related Matters.	Application 08-07-022 Application 08-07-023 Application 08-07-031

SECOND DECISION ADDRESSING PETITION FOR MODIFICATION OF DECISION 09-09-047

1. Summary

This decision adopts a second set of modifications to Decision (D.) 09-09-047 regarding energy efficiency portfolios for 2010-2012. The adopted modifications are:

- D.09-09-047 is modified to allow benchmarking to be phased in to use established benchmarking tools to target larger facilities first.
- D.09-09-047 is modified to eliminate a requirement to benchmark all commercial buildings in this portfolio timeframe. Utilities are required to benchmark specified number of commercial buildings during this portfolio period.
- D.09-09-047 is modified to allow small variations to the 12 adopted statewide energy efficiency programs to fit the needs of different utility territories, as long as these

variations are generally consistent with the intent and design of the statewide programs.

- D.09-09-047 is modified to expand the definition of allowable administrative costs to include costs for certain energy efficiency program-specific sponsored events or activities.

This decision defers other issues regarding *ex ante* values in the Petition to a subsequent decision in this docket.

2. Background

In Decision (D.) 09-09-047, the Commission adopted energy efficiency portfolios for 2010 through 2012 for Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), San Diego Gas & Electric Company (SDG&E), and Pacific Gas and Electric Company (PG&E) (collectively, Joint Utilities or Joint Investor-Owned Utilities (Joint IOUs)).

On September 17, 2010, Joint Utilities filed a Petition for Modification of D.09-09-047, seeking 28 separate changes to the Decision, in eight subject areas.

D.10-12-054 adopted modifications to D.09-09-047 in the following areas:

- Freezing *ex ante* values based on 2008 Database for Energy Efficiency Resources (DEER) version 2.05.
- Clarifying that co-branding requirements with the Engage 360 brand apply to all energy efficiency programs provided through energy efficiency funds, but not provided solely through other funds. Also, the decision clarified the timing for the start of the co-branding efforts.
- Reducing annual energy savings goals per home for the statewide Prescriptive Whole House Retrofit Program from 20% in utility service territories to 10%, while retaining the annual energy savings goals per home for the utilities' Whole House Performance Programs at 20%. The decision clarified that these are average annual savings goals per

home; the annual savings at individual participant homes will fall below and above these levels.

- Providing that the required $1,000 performance bonus applies only to single family units in the California Advanced Home Program. The decision also provided that a lower $200 bonus or a territory-specific incentive (e.g., marketing dollars, customized engineering reports, etc.) apply for each applicable multi-family unit.
- Adding language to provide a State Action Doctrine defense for utilities engaging in certain joint energy efficiency activities which are consistent with state policy and supervised by the Commission.

D.10-12-054 deferred other issues in the Petition to a subsequent decision in this docket. The specific proposals included in the Petition for issues not decided by D.10-12-054 are summarized as follows:

- Amend D.09-09-047 to remove ambiguity around non-DEER *ex ante* assumptions and ensure its directives to freeze data are implemented.
- Modify IOU benchmarking requirements[1] to exclusively promote the Energy Star Portfolio Manager (ESPM) tool for all IOU benchmarking activities; target larger facilities first; and remove the requirement to benchmark all facilities now specified in the D.09-09-047.
- Adopt a reporting process for limited statewide program variations among IOUs to allow flexibility for appropriate regional and IOU differences.
- Clarify that sponsorships for energy efficiency events or activities that directly promote programs or partnerships (as opposed to

[1] The idea of benchmarking is to establish a base of energy demand and usage to use for analysis of potential and actual energy efficiency measures.

> solely providing company specific recognition) are considered allowable administrative costs.

Comments on all issues in the Petition were jointly filed on October 18, 2010 by the Division of Ratepayer Advocates (DRA) and The Utility Reform Network (TURN), and comments were separately filed by EnerNOC, Inc. A Prehearing Conference (PHC) was held on October 22, 2010. A major theme of both the Petition and the PHC involved Energy Division implementation of provisions of D.09-09-047, as that decision gave Energy Division the responsibility to work with the utilities to implement the decision.

3. *Ex Ante* Values

3.1. Non-DEER Values (except Custom Projects)

This issue will be addressed in a forthcoming decision.

3.2. Custom Projects

This issue will be addressed in a forthcoming decision.

4. Benchmarking

Benchmarking was an important directive for commercial sector energy efficiency programs in D.09-09-047. Ordering Paragraph (OP) 30(a) states:

> Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall benchmark all facilities that enter any of the Commercial Energy Efficiency Program sub-programs for services.

D.09-09-047 at 153 specifically directs the IOUs to collaborate on benchmarking tools, stating: "We direct all utilities to collaborate on the use of automated benchmarking tools to achieve economies of scale and consistent benchmarking services statewide. We expect any cost savings to be applied to benchmarking more buildings." The decision at 172 states: "We direct the

utilities to use the updated benchmarking guidelines as developed by the California Energy Commission under their activities to implement Assembly Bill (AB) 1103."[2] While the decision gave guidance for benchmarking activities, it did not specify the tools to be used to benchmark. Further, the decision language also states IOUs should specifically incorporate benchmarking in the nonresidential audit, Savings by Design, retrofit, direct install, and retro-commissioning programs.

On December 14, 2009, SCE, on behalf of all the IOUs, submitted Advice Letter 2417-E requesting clarification and direction on many issues pertaining to the implementation of the energy efficiency program portfolio. Benchmarking was one of the main issues in the Advice Letter. On May 12, 2010 Energy Division rejected the Advice Letter without prejudice and suggested the IOUs file a Petition for Modification as the best avenue to address the issues raised.

4.1. IOU Benchmarking Proposal

In the Petition, Joint IOUs included a benchmarking proposal, and provided specific language in Appendix B of their Petition. The proposal details

[2] Ch. 533, Stat. 2007. This statute required electric and gas utilities on and after January 1, 2009, to maintain records of the energy consumption data of all nonresidential buildings to which they provide service, in a format compatible for uploading to the ESPM for at least the most recent 12 months. Upon written or secured electronic authorization of a nonresidential building owner or operator, on and after January 1, 2009, an electric or gas utility would be required to upload all of the energy consumption data for a building to the ESPM in a manner that preserves the confidentiality of the customer. The statute also required, on and after January 1, 2010, that a nonresidential building owner or operator disclose ESPM benchmarking data and ratings, for the most recent 12-month period, to a prospective buyer, lessee, or lender. After the benchmarking data and ratings are disclosed, the property owner, operator, or his or her agent would not be required to provide additional information regarding the benchmarking data and ratings.

three basic principles and six utility benchmarking services and activities the Joint IOUs assert will satisfy the benchmarking mandate in D.09-09-047. These issues include: exclusive use of ESPM, targeting of larger buildings as per the AB 1103 proposed implementation schedule, identify benchmarking as a customer driven process for whole buildings, ensure customer privacy and protections, and numerical targets.

4.1.1. Benchmarking Tool

D.09-09-047 did not indicate which benchmarking tool should be utilized and directed the utilities to collaborate on the use of automated benchmarking tools. In the Petition, Joint IOUs request the exclusive use of ESPM as the main benchmarking compliance tool. They claim this tool is widely understood by the market and will not create confusion.

AB 1103 requires all commercial buildings to benchmark and submit a score via ESPM upon the leasing, financing, or purchasing of a building. Joint IOUs assert that ESPM is the benchmarking tool required for complying with AB 1103. However, the scope for AB 1103 is very specific, requiring benchmarking of buildings under certain transactions. D.09-09-047 is larger in scope, applying to <u>all</u> buildings that enter into IOU commercial sector energy efficiency programs, effective January 1, 2010. We view D.09-09-047 as a mechanism to expand activities now mandated by AB 1103.

AB 1103 is being implemented by the California Energy Commission (CEC). The implementation date is expected to be around July 2011; guidelines are still being drafted. D.09-09-047 anticipated the IOUs would begin benchmarking activities at the beginning of the 2010–2012 energy efficiency program cycle; we did not intend for the IOUs to wait for the implementation of AB 1103 to begin benchmarking activities. We understand that benchmarking

activities have taken place during this portfolio period. However, ongoing benchmarking activities should incorporate the efforts of the CEC as AB 1103 is implemented.

At the PHC, the IOUs acknowledged if they were to exclusively use the ESPM tool, the Commission's requirement for "all" buildings to be benchmarked would not be met.[3] Joint IOUs admit that this failure to comply would occur because ESPM is not a universally-applicable tool. The CEC is developing an asset rating tool, currently identified as the Building Energy Asset Rating System or BEARS. In addition to the BEARS tool, the CEC is also developing a California-specific rating tool that will work with ESPM to include more California buildings. While the IOUs agree that other benchmarking tools are available, they claim that there is not one tool available to benchmark all buildings. At the PHC, the IOUs agreed to support and pilot new benchmarking tools that differ from ESPM as long as they were not mandated and such tools provided valuable information.

DRA/TURN's position is that the Commission should not mandate only one benchmarking tool. DRA asserts that ESPM is an operational tool and that there may be other emerging tools, such as an asset rating tool, that could address the shortcomings of ESPM. DRA/TURN further commented that the inability of ESPM to benchmark portions of buildings (those which do not fit certain technical parameters) is problematic. DRA/TURN suggest the need for a more comprehensive review of ESPM, and recommend continued collaboration

[3] The requirement to benchmark all commercial buildings is addressed later in this section.

between the utilities and Energy Division to resolve ongoing benchmarking issues.

We will not modify D.09-09-047 to deem ESPM as the exclusive benchmarking tool. ESPM appears to be the most prevalent rating tool currently available today. Therefore, it is reasonable for the utilities to use ESPM for the majority of their benchmarking efforts. To address the shortcoming of this tool, the IOUs should pilot the best available alternative tools, including the California rating tool and the asset rating tool (BEARS) available from the CEC. We reiterate OP 24(g) in D.09-09-047: "(The utilities) should use this data collected from the calendar year 2010 to report new and existing benchmarking data to the Energy Division and the service list by July 1, 2011."

4.1.2. Numerical Targets

While OP 30(a) of D.09-09-047 dictates that all buildings participating in commercial programs or subprogram services should be benchmarked, D.09-09-047 (S*ee* section 5.3.1.2) also sets energy efficiency benchmarking targets of 50,000 commercial and institutional buildings for PG&E and SCE, with a benchmarking goal of 20,000 for SDG&E for this program cycle. The decision both encouraged PG&E and SCE to set this benchmark goal, and directed SCE to benchmark 50,000 buildings (consistent with a target set by PG&E). SDG&E was directed to benchmark 20,000 commercial buildings. D.09-09-047 also suggested the utilities start benchmarking efforts by focusing on the following programs: Retro Commissioning and retrofit programs,[4] Non-Residential Audits,[5] and Savings by Design.[6]

[4] D.09-09-047 at 155.

Joint IOUs propose to eliminate numerical benchmarking targets adopted by D.09-09-047, by changing language regarding these targets from "encouraged" to "an aspirational stretch." Joint IOUs also propose to delete the requirement in several Ordering Paragraphs for the IOUs to benchmark "all" specified facilities, instead substituting the concept that they should "actively promote" benchmarking.[7] The IOUs want to remove mandatory requirements because they do not want to deny energy efficiency incentives and services if a customer does not want to benchmark.

At the PHC, DRA suggested there could be a middle ground between "actively promote" and benchmarking "all" large buildings. DRA suggested that as a condition for getting incentives, the customer would be required to release information for benchmarking purposes. We do not agree with DRA's suggestion; while the need for the utility to benchmark is important, customers' willingness to release customer information should not preclude customer participation in all energy efficiency programs.

We disagree with the IOU proposal to eliminate the numerical targets for benchmarking; these targets were approved in D.09-09-047 based on the data available in that proceeding. The IOUs provided no further or better information in their Petition to justify a change for these targets for the IOUs. Similarly, we will not accept the IOU proposed language of "aspirational stretch" instead of "encouraged" to meet benchmarking targets; this proposed term implies a level of difficulty in meeting Commission goals which has not been proven.

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[5] D.09-09-047 at 152.

[6] D.09-09-047, OP 24(g).

[7] Specifically, OP 24(g), OP 30(a), OP 30(c), and OP 39(a).

The IOU proposal to simply "actively promote" benchmarking is also insufficient to meet our expectations. With this language, there is no way to determine whether many, most or few buildings will actually be benchmarked, and no way to determine if the IOUs have made their best efforts. The requirement for benchmarking "all" buildings is an objective standard to achieve. At the same time, we do agree that it may not be possible to benchmark all commercial buildings in this portfolio period.

In order to promote the benchmarking of as many commercial buildings as possible without setting what may be an impossible standard, we look to the targets established in D.09-09-047. SDG&E was required to benchmark 20,000 commercial buildings, while SCE was required to benchmark 50,000 commercial buildings. PG&E was encouraged to benchmark 50,000 commercial buildings. These required or encouraged levels are not consistent with the other requirement of D.09-09-047 to benchmark all commercial buildings. We have determined that it is not feasible to require benchmarking of all commercial buildings. Instead, we will retain the numerical targets set in D.09-09-047, as required for SCE and SDG&E. For PG&E, we will impose the same requirement to benchmark 50,000 commercial buildings. This provides consistency across utilities and will ensure a strong commitment to benchmarking statewide.[8]

The benchmarking requirements established here should be considered minimum requirements for this portfolio period. Every building benchmarked for energy efficiency purposes provides additional opportunities to find energy

[8] D.09-09-047 did not provide benchmarking targets or requirements for SoCalGas. We strongly encourage SoCalGas to benchmark as many commercial buildings as possible. SoCalGas should coordinate its efforts with the electric utilities serving the buildings.

efficiency savings. We encourage the utilities to make every effort to benchmark all commercial buildings as soon as practical.

We do understand the concern of the IOUs that some customers, such as buildings with multiple tenants, may not consent to benchmark and release their energy usage data. By setting numerical requirements for benchmarking buildings in D.09-09-047 and eliminating the requirement to benchmark all commercial buildings, we recognize that release of customer information cannot be forced upon customers. However, while desirable, it is not always necessary to obtain the permission of customers to benchmark buildings. Instead, the IOU can use information (energy usage, square footage, building type and address) already available to develop a reasonable proxy for the energy efficiency benchmark.

4.1.3. Targeting Larger Buildings

The Petition requests alignment with the CEC's phased approach to target larger facilities first and smaller facilities over time with the ESPM tool, and as other appropriate tools and systems are phased in to address these building types. D.09-09-047 at 172 directs the IOUs' Savings by Design program to use the updated benchmarking guidelines as developed by the CEC to advise on how to benchmark. These guidelines note that larger facilities should be targeted first. DRA/TURN agree with this phased approach. We agree that this phased approach of buildings is consistent with CEC guidelines.

We will modify OP 30(a) to add the sentence: "Benchmarking may be phased in so that established benchmarking tools are used to target larger facilities first, consistent with California Energy Commission guidelines for phasing in benchmarking of buildings to apply to all existing commercial programs."

To summarize our intent: The utilities are required to benchmark at least specified numbers of commercial buildings for energy efficiency purposes in the 2010-2012 portfolio period. The utilities should focus on benchmarking larger buildings first. The utilities should use ESPM for larger buildings when feasible, along with newly developed benchmarking tools. If customer resistance or a lack of appropriate tools makes it difficult to benchmark certain buildings (especially smaller buildings), the utilities should use known factors to construct proxy benchmarking data, if possible.

4.1.4. Customer Privacy and Protection

The Petition also requests that the Commission ensure compliance and consistency with customer privacy policies and protections regarding benchmarking. We determined above that ESPM will not be the exclusive benchmarking tool. The IOUs' privacy concerns are focused on instances where benchmarking is performed using ESPM. If data privacy is a customer concern the utility can use other benchmarking tools, or use proxy data. Therefore, there is no need to adopt specific data privacy provisions at this time. To the extent that privacy issues prevent access to customer data even through proxies, such buildings will not be benchmarked. This outcome is consistent with our requirement that not all buildings must be benchmarked in this portfolio period.

With the CEC's expected regulations on AB 1103 to be released soon, we intend to work closely with the CEC to implement this statute.

5. Statewide Reporting Requirements

In D.09-09-047 at 7, the Commission directed the utilities to develop and implement twelve statewide programs during the 2010-2012 program cycle, specifically directing the IOUs:

> … to ensure utility offerings are coordinated (i.e., the same) across a

> number of areas, including: a) program name, b) incentive levels offered, c) same or very similar delivery mechanisms, d) same or very similar marketing materials, e) regular inter-utility coordination, f) on-going review and adoption of best practices and feed-back from program evaluations across the utilities, and g) intra-utility coordinated actions with state, local and federal agencies and other key actors.

Joint IOUs contend they have worked in close coordination to develop nearly identical programs to provide the same customer experience to customers across the State and are currently developing a more formalized structure to maintain consistency across utilities throughout the program cycle. However, due to regional, customer, and/or utility differences, Joint IOUs claim to have encountered situations in which limited variations between programs are necessary or beneficial to address specific needs. For example, the Direct Install Program is currently offered to customers with demand of 100 kW or less. While this limitation is necessary for SDG&E, due to the smaller size customers they serve, Joint IOUs assert that it may be beneficial for SCE and PG&E to expand this program (e.g., to customers with demand up to 200 kW) to more successfully address this market in their service territories.

Rather than constrain the utilities' ability to successfully address a viable market in an effort to maintain statewide uniformity, Joint IOUs request that the Commission allow for reasonable and appropriate variations within statewide programs to best address unique IOU needs. As such, Joint IOUs request modifications to D.09-09-047 to state that requirements a-g (listed above) shall be "the same or very similar" for any statewide program. Currently, out of seven required elements, only delivery mechanisms and marketing materials may differ at all among IOUs for any statewide program. Under the IOU proposal,

each IOU could vary each of the seven elements slightly for any statewide program.

Further, Joint IOUs recommend that these variations be reported through the Commission's Energy Efficiency Groupware Application (EEGA) reporting system within statewide programs throughout the course of the program cycle. This process will allow the utilities the needed flexibility to make appropriate real time adjustments to programs based on actual program experience during the cycle, but would also ensure transparency and accountability to maintaining an acceptable level of statewide uniformity. Specifically, any utility that deviates from the statewide program would be required to report any exceptions, including a rationale, through regular quarterly reporting, consistent with past reporting procedures. All variations, with justification, would be included in an appendix to the program implementation plan to ensure an up-to-date record of the program plans.

To ensure appropriate limitations to program variations, Joint IOUs request that the Commission should also explicitly require that: (1) any variation of incentives that is greater/less than 50% of the agreed upon statewide incentive level would require immediate Energy Division notification; and (2) any program modification that would require changes to the structure of the program logic model would require immediate Energy Division notification, to ensure coordination with evaluation, measurement, and verification processes.

DRA/TURN oppose these modifications. They contend that with these modifications, any utility could abandon the Commission's policy approach seeking statewide uniformity, so long as it notifies Energy Division that it is so doing. DRA/TURN urge the Commission to reject this request to reverse the

progress that has been made in developing consistent statewide programs, and instead require the utilities to offer consistent program offerings across the state.

We will adopt certain of the modifications sought by the Joint IOUs in this area. It is reasonable to allow small variations to statewide programs to fit the needs of different IOU territories, as long as these variations are generally consistent with the intent and design of the statewide programs. This approach was already recognized in part in D.09-09-047, which allowed certain elements of statewide programs to be "very similar" instead of exactly the same; extension of this concept to other aspects of statewide programs is consistent with the intent of D.09-09-047 and constitutes a reasonable modification to that decision. In particular, we continue to want to ensure that third-party implementers can easily work among and between different utilities across California without concern over differences in utility programs. Therefore, we will modify D.09-09-047 to add a new Ordering Paragraph to state:

> Pacific Gas and Electric Company, Southern California Edison Company,
> San Diego Gas & Electric Company, and Southern California Gas Company shall ensure statewide utility energy efficiency offerings are coordinated (i.e., very similar or the same) across a number of areas, including: a) program name, b) incentive levels offered, c) delivery mechanisms, d) marketing materials, e) regular inter-utility coordination, f) on-going review and adoption of best practices and feed-back from program evaluations across the utilities, and g) intra-utility coordinated actions with state, local and federal agencies and other key actors.

We find that the other specific language changes proposed by the Joint IOUs are too far-reaching, as their proposal would provide essentially unlimited flexibility to modify current statewide programs – including incentive levels –

with no oversight beyond notification to Energy Division.[9] This approach would undermine the foundational concept of having statewide programs. Further, Joint IOUs provide no specific justifications for deviations in incentive levels or changes to program logic models. The utilities continue to have the ability to file advice letters to seek further programmatic changes.

6. Sponsorship Costs

D.09-09-047 sets administrative, direct implementation, and marketing budget caps and targets, and defines some of the activities that should fall under each of these three categories.[10] After the issuance of the decision, Joint IOUs state that they worked with Energy Division to better define and categorize all allowable costs. Through this process, Energy Division provided guidance on several specific costs. Energy Division recommended that the utilities exclude any costs related to sponsorship of conferences as allowable energy efficiency conference costs, but would allow membership-based issue-specific trade organizations that include entry into conferences as a component of membership benefits.

Consistent with Energy Division's recommendation, Joint IOUs request that D.09-09-047 be modified to expand the definition of allowable administrative costs to include costs for energy efficiency program-specific sponsored events or activities, including costs such as conference entry fees for membership-based, issue-specific trade organizations with membership benefits, energy efficiency program recognition, promotions, and staff travel costs to

[9] We have no concern about the IOU proposal to report variations in statewide programs in the EEGA reporting system.

[10] *See* D.09-09-047 at 6, 49-51, 57, 63, 73, 238-239, 192, and OP 13.

participate in these energy efficiency conferences. Joint IOUs request that such administrative costs for energy efficiency programs be allowed to be funded by energy efficiency funds.

We will adopt the modifications sought by Joint IOUs in this area (with minor edits for clarity) by adding a new Ordering Paragraph to D.09-09-047. No party opposes these modifications. We adopted strict limits on administrative costs in D.09-09-047 in order to ensure the maximum amount of ratepayer funding for energy efficiency programs, as opposed to overhead. The utility-proposed modifications are reasonable and consistent with the intent of D.09-09-047, as they narrowly expand the category of allowable administrative costs to allow utility staff to promote utility energy efficiency programs to targeted audiences.

7. Comments on Proposed Decision

The proposed decision of Administrative Law Judge (ALJ) Gamson in this matter was mailed to the parties in accordance with Section 311 of the Public Utilities Code and comments were allowed under Rule 14.3 of the Commission's Rules of Practice and Procedure. Comments were filed on March 14, 2011 by SCE and PG&E and reply comments were filed on March 21, 2011 by DRA/TURN. Comments focused on benchmarking requirements. Parties agree that it is not possible to benchmark all commercial buildings in this portfolio period. We modify the proposed decision to require benchmarking of specified numbers of commercial buildings.

PG&E filed a motion on March 23, 2011 for leave to file corrections to comments on the proposed decision. DRA/TURN do not oppose PG&E's request. PG&E's motion is granted.

8. Assignment of Proceeding

This proceeding is assigned to Commissioner Michael R. Peevey and ALJ David M. Gamson. ALJ Gamson is the Presiding Officer.

Findings of Fact

1. D.09-09-047 adopted energy efficiency portfolios for 2010 through 2012 for SCE, SoCalGas, SDG&E, and PG&E.

2. ESPM is a benchmarking tool which is widely available, but it is not a universally-applicable tool.

3. There may be available alternative benchmarking tools, including the California rating tool and the asset rating tool known as BEARS available from the CEC.

4. It is feasible to benchmark most commercial buildings in the 2010-2012 timeframe either through working with customers or by using proxy customer data to develop benchmarking proxies.

5. The CEC has provided guidelines which provide guidance on how to phase in benchmarking efforts by using existing tools to benchmark larger commercial buildings first.

6. The utility-proposed modifications regarding sponsorship costs narrowly expand the category of allowable administrative costs to allow utility staff to promote utility energy efficiency programs to targeted audiences.

7. Differences among the utilities (such as differences in customer sizes) at times provide a need for small differences in energy efficiency programs which otherwise would be uniform across the state.

8. It is important to ensure that third-party implementers can easily work among and between different IOUs across California without concern over differences in IOU programs.

9. Allowing each utility to have significant variation in incentives and program logic models would undermine the concept of statewide energy efficiency programs.

Conclusions of Law

1. To address the non-ubiquity of the ESPM benchmarking tool, the utilities should also pilot the best available alternative tools, including the California rating tool and the asset rating tool known as BEARS when available from the CEC.

2. It is reasonable to allow utilities to use the CEC guidelines on how to phase in energy efficiency benchmarking efforts by using existing tools to benchmark larger commercial buildings first.

3. It is reasonable to establish specific requirements for benchmarking commercial buildings, consistent with the targets established in D.09-09-047.

4. The utility-proposed modifications regarding sponsorship costs are reasonable and consistent with the intent of D.09-09-047.

5. It is reasonable to allow small variations to statewide programs to fit the needs of different utility territories, as long as these variations are generally consistent with the intent and design of the statewide programs.

O R D E R

IT IS ORDERED that:

1. Ordering Paragraph 30 of Decision 09-09-047 is modified to read:

   Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company shall benchmark facilities that enter any of the Commercial Energy Efficiency Program sub-programs for services. PG&E shall benchmark at least 50,000 buildings. SCE shall benchmark at least 50,000 buildings.

SDG&E shall benchmark at least 20,000 buildings. Benchmarking may be phased in so that established benchmarking tools are used to target larger facilities first, consistent with California Energy Commission guidelines for phasing in benchmarking of buildings to apply to all existing commercial programs. The budget for Southern California Edison Company for benchmarking is set at $4.8 million.

2. Ordering Paragraph 63 is added to Decision 09-09-047 as follows:

   The following are allowable energy efficiency administrative costs for 2010 through 2012 for Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, in addition to any other administrative costs allowed by Decision 09-09-047:

   Travel and Conference fees: This category includes labor, travel and fees for conferences. Utility sponsorships for energy efficiency program-specific events or activities are allowable administrative costs, including membership-based, issue-specific trade organizations that include as a component of membership benefits entry into conferences. Other staff travel costs to participate in energy efficiency conferences are also allowable administrative costs. However, utility sponsorship fees for major national energy efficiency conferences that provide company recognition or status are prohibited as energy efficiency allowable costs. Such costs shall not be funded with energy efficiency program funding.

3. Ordering Paragraph 64 is added to Decision 09-09-047 as follows:

   Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall ensure statewide utility energy efficiency offerings are coordinated (i.e., very similar or the same) across a number of areas, including: a) program name; b) incentive levels offered; c) delivery mechanisms; d) marketing materials; e) regular inter-utility coordination; f) on-going review and adoption of best practices and feed-back from program evaluations across the utilities; and g) intra-utility coordinated actions with state, local and federal agencies and other key actors.

4. Pacific Gas and Electric Company's motion of March 23, 2011 is granted.

5. This proceeding remains open.

This order is effective today.

Dated April 14, 2011, at San Francisco, California.

MICHAEL R. PEEVEY
President
TIMOTHY ALAN SIMON
MICHEL PETER FLORIO
CATHERINE J.K. SANDOVAL
MARK FERRON
Commissioners