

CCA Options for Participating in Current EE Programs

9/17/10 Draft – Confidential for discussion only

Presenter (TBD)

Title, Group

PG&E

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Presentation Overview

CPUC Authorized EE Funding Sources

State Statute and CPUC Policy Background

Options for CCA Program Administration

Q&A



CPUC Authorized Energy Efficiency Funding Sources

Electric

- Public Goods Charge – EE
 - PU Code 381 established the PGC to fund certain programs in 1996
 - PU Code 399.8(d)(1) extends PGC collections through 2011
- EE Procurement
 - Authorized in D. 03-12-062

Gas

- Public Purpose Program (PPP) Gas Surcharges
 - PU Code 890 et seq established in 2000; D.04-08-010 implemented



State Statute & CPUC Policy

CCA Not Administering EE Programs

P.U Code 381.1 (c):

“If a CCA is not the administrator EE and conservation programs for which its customers are eligible, the CPUC shall require the administrator of [these] programs to direct a proportional share of its approved EE program activities for which the CCA’s customers are eligible, to the CCA territory without regard to customer class.”

- *CCA is not entitled to administer a proportional share of EE funds; IOUs to direct a “proportional share” of PGC-EE funds to the CCA territory*
 - *Defined as average per capita share (see D.03-07-034, Attachment A)*



State Statute & CPUC Policy

CCA Administering EE Program

P.U Code 381.1 (a) and (b):

(a) **The commission will establish policies and procedures for any party, including a CCA to apply to become administrators for cost-effective EE:**

- (1) Consistent with the goals of the existing programs
- (2) Advances the public interest in maximizing cost-effective electricity savings and related benefits
- (3) Accommodates the need for broader statewide or regional programs

(b) All Commission audit and reporting requirements apply



State Statute & CPUC Policy

CCA Administering EE Program

Decision 03-07-034 implemented PU Code 381.1:

“Administrator” is defined as any party that receives funding for and implements EE programs pursuant to Section 381.1. (Attachment A)

CPUC will apply the same procedures and criteria to CCAs that is applied to all third party applicants for EE program funding, including EM&V requirements. (p. 10, see also EE Policy Manual V. 4.0)*

- 2003 – CPUC administered EE Programs
- 2005 - D.05-01-055 returned EE program administration to IOUs



Options for CCA EE Program Administration

Options Under Current EE Program Structure

- Model 1: Third Party (3P) Program
 - Option authorized by CPUC in D.03-07-034
- Model 2: Local Government Partnership (LGP) Program
 - Option to consider consistent with statute and fits current program structure



Options for CCA EE Program Administration

Model 1 (3P) – Overview

- Third Party Programs target specific market segments to deliver energy savings towards IOUs goals
- 20% of EE Portfolio Funding Allocated to 3Ps
- PY 2010-2012 3Ps Selected through Statewide (SW) and Targeted competitive bid process
- Peer Review Group (PRG), DRA, TURN and NRDC, reviewed scoring criteria and selection (included ED as *ex officio* member)
- 3P Program Plans and funding subject to approval by CPUC



Options for CCA EE Program Administration

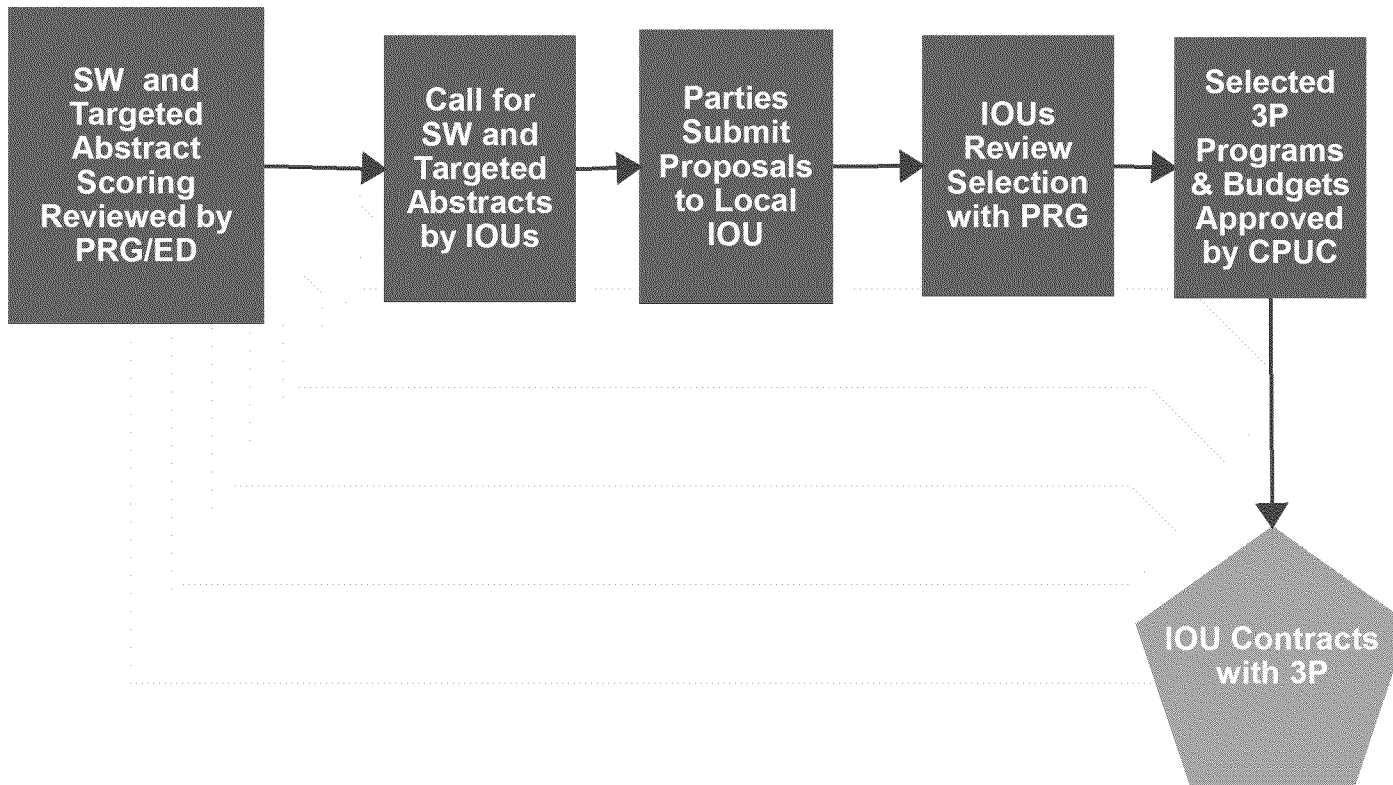
Model 1 (3P) – Scoring Criteria (PY 2010-2012)

- Program Implementation and Feasibility
- Cost effectiveness
- Skill and Expertise
- Portfolio Fit
- Supplier Diversity and Miscellaneous



Options for CCA EE Program Administration

Model 1 (3P): Application Process (PY 2010-2012)





Options for CCA EE Program Administration

Model 2 (LGP) – Overview

Eligibility (PY 2010-2012)

- Governments
- Government Associations
- Quasi-Government Groups (a non-profit organization that works directly with government entities, government associations, joint powers authorities, statewide associations)

Peer Review Group (PRG), DRA, TURN and NRDC, reviewed scoring criteria and selection (included ED as *ex officio* member)

One LPG contract awarded per jurisdiction

[note exception for Santa Barbara County PG&E/SCG and SCE/SCG]



Options for CCA EE Program Administration

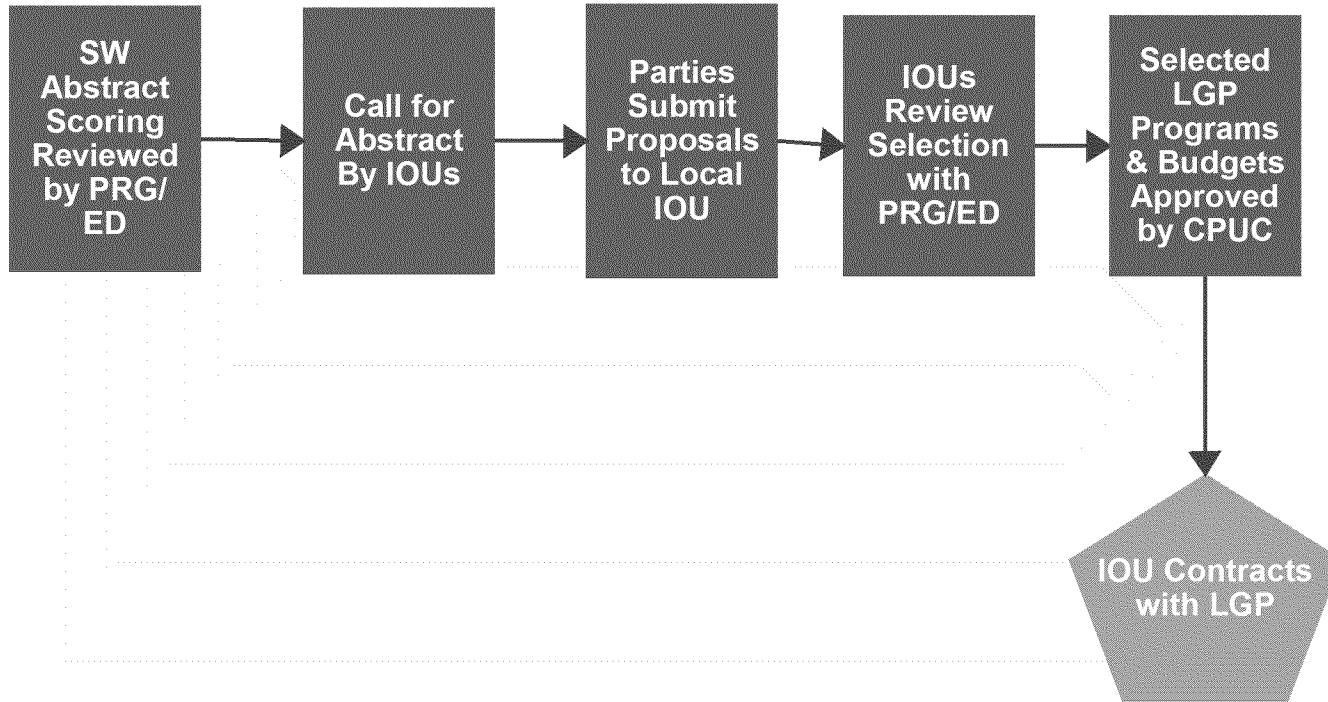
Model 2 (LGP) – Scoring Criteria (PY 2010-2012)

- Cost effectiveness
- Success in past EE or related projects
- Demonstrated commitment through energy champion, long-term staff assignment or other
- Priority on achieving energy savings in municipal buildings/city energy infrastructures
- Likelihood of success of proposed partnership
- Integrated and comprehensive approach
- Commitment to short and long term energy savings goals and strategies



Options for CCA EE Program Administration

Model 2 (LGP): Application Process (PY 2010-2012)



Thank You

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