Rulemaking, 09-11-014

For Discussion with Parties Pursuant to ALJ Ruling Regarding 2013 Bridge Funding and Mechanics of Portfolio Extension issued May 27, 2011

(DRAFT: June 22, 2011)

On June 16, 2011, pursuant to the Administrative Law Judge's Ruling (ALJ Ruling) regarding 2013 bridge funding and mechanics of portfolio extension issued May 27, 2011 parties to this rulemaking filed opening comments on the proposed extension of the 2010-2012 energy efficiency program cycle. In accordance with the ACR issued November 17, 2010 the parties have conferred regarding the opening comments and submit this summary that identifies points of agreement and disagreement.

The following parties **[list parties]** agree on the following general concepts and recommend that the Commission use these as a guide in planning any potential program cycle extension.

The 2010-12 Energy Efficiency Program Cycle should be extended for a fourth year, through 2013.

1. For purposes of program budget, the extension year for 2013 should be treated as though it were the fourth year of a four-year energy efficiency program cycle from 2010-2013. The total budget for each IOU for the 2010-2013 cycle should be up to four-thirds of the budget approved in D.09-09-047.

2. Each IOU will be permitted to tailor its budget request based in its individual circumstances and apply unspent funds to augment its budget request or to offset customer collections, as appropriate for each of its respective portfolios.

3. In deciding what programs to extend, all programs on target to achieve goals/budgets should continue at 4/3 of 2010-2012 budgets, subject to adjustments to reflect forecasted program performance. Generally, Local Government Partnerships and Third Party Implementers programs that are meeting performance expectations (as compared to relevant criteria and contractual requirements) should be extended.

4. To promote program continuity with Local Government Partnerships and Third Party Implementers, contracts should be amended to continue through 2013 rather than begin a new contracting process. When the IOUs determine that program adjustments are warranted, the IOUs will communicate the nature of those adjustments to the participating Local Government Partnerships and Third Party Implementers prior to filing an advice letter.

5. The extension year filing by the IOUs should be through a compliance Advice Letter. IOUs will indicate if they have conferred with Local Government Partnerships and Third Party Implementers in advance of the AL being filed. For any proposed modifications to Local Government Partnerships and Third Party Implementer programs, the IOUs should include in their Advice Letters the following items: (1) a statement explaining the criteria and considerations used to evaluate their programs; (2) the rationale for the choice of criteria; (3) the expected goals/objectives to be achieved; (4) the revised budget; and, (5) any pertinent information that would substantiate their filing.

6 & 7. 2010-12 cycle high impact measures ex-ante values should not be updated for the cycle extension. The purpose of the extension year is to align EM&V with program planning for the 2014-2016 cycle. As such, the Commission should not devote its limited resources to updating assumptions for the one-year cycle extension through 2013. This is consistent with the Commission's policy in D.09-09-047 to hold program assumptions constant through the program cycle.

8. Updates to 2008.2.05 of the 2008 Data Base for Energy Efficient Resources (DEER) values should only be made where specific errors were identified and modifications were mutually agreed to by both Energy Division (ED) and the IOUs.

9. The Commission has already adopted the energy savings goals for 2013 in D.09-09-047 which should be used for 2013 as shown in the table below:

	GWh	MW	MMTherms
PG&E	1213	234	15.6
SCE	1,139	240	0
SoCalGas	0	0	36
SDG&E	152.5	30	4.5

These goals reflect the current version of DEER and associated energy assumptions. If the Commission adopts further revisions to the savings assumptions, the goals would need to be revised accordingly.

10. Since 2013 is an extension year, any changes should be as minimal as possible to allow parties, the Commission, and Energy Division to focus on developing the next cycle (2014-2016).

[add schedule discussion – to be discussed with NRDC & others]

The following proposals have not been vetted, represent significant changes to the programs approved by D.09-09-047, and, therefore, should be not be considered for the extension year but be considered in relation to the next program cycle:

- Eliminating funding for cost-effective measures from the portfolio such as CFLs and appliance recycling
- Updating program assumptions solely for 2013.
- Issues before the Commission in other proceedings such as the Risk Reward Incentive Mechanism (RRIM)