Table of Attachments

Attachment H: A.12-07-001 Motion for Consideration of the San Francisco Bay Area Regional Energy Network; Motion for Consideration of the Marin Energy Authority Energy Efficiency Program for 2013-2014; Motion for Consideration of the Southern California Regional Energy Network for Southern California Edison's Service Territory for 2013-2014

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of PACIFIC GAS AND ELECTRIC COMPANY for Approval of 2013-2014 Energy Efficiency Programs and Budget	Application No. A12-07-001 (Filed July 2, 2012)

MOTION FOR CONSIDERATION OF THE SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK

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For The California Public Utilities Commission

July 16, 2012

I. INTRODUCTION

As directed in Decision 12-05-015, the June 20,2012 Ruling of Administrative Law Judge Fitch, and in accordance with the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), the Association of Bay Area Governments (ABAG) is pleased to submit this motion to establish the San Francisco Bay Area Regional Energy Network (BayREN). BayREN is composed of county-level public agencies representing ABAG's nine-county region, representing 20 percent of the state's population, and half of the population of the Pacific Gas & Electric Company's (PG&E) service territory.

BayREN agencies have strong expertise and experience in the development and implementation of regional and local energy and sustainability programs and a proven track record for delivering results. Using American Recovery and Reinvestment Act (ARRA) funds, BayREN members have built lasting infrastructure, market momentum, and innovative local and regional programs to deliver cost-effective energy savings through successful implementation of Energy Upgrade California (EUC). Building on this investment, BayREN requests $41,597,750 for the 2013–2014 transition period to expand and enhance effective subprograms in single- and multi-family buildings, codes and standards, and financing as detailed in the BayREN Program Implementation Plan (PIP).

This Motion is being submitted in concert with at least one other REN proposal, the Southern California REN (SoCalREN), which is being developed under the County of Los Angeles. The concept and development of the RENs was accomplished through the activities of the Local Government Sustainable Energy Coalition (LGSEC).[1] The LGSEC will continue to represent the interests of the RENs in Commission proceedings and will be leveraged to develop additional RENs in the future. The Commission should consider the foregoing two RENs, SoCalREN and BayREN, acting together as a combined pilot, statewide system that will expand the reach of energy efficiency and other energy management programs to local governments and other public agencies.

The BayREN PIP (Appendix A) was developed as directed by the Commission, using the templates circulated in May 2012. Should the Commission require additional information, BayREN will work with the Commission to provide that information in a timely manner.

[1] The LGSEC is a statewide membership organization of cities, counties, associations and councils of government, special districts, and non-profit organizations that supportgovernment entities. A list of our members can be found at www.lgsec.org.

II. BACKGROUND

D.12-05-015 encouraged local governments to submit PIPs and budgets for regional energy network pilots for the 2013–2014 energy efficiency period. The Decision noted "Authorizing pilots in the 2013–2014 transition portfolio would provide local governments the opportunity to develop a track record. We anticipate that the 2013–2014 programs would lead to a series of lessons learned on the appropriate level of local government administration of ratepayer-funded energy efficiency programs." This PIP application is submitted in compliance with the direction from the Commission following the guidance provided in the Decision.

III. REGIONAL ENERGY NETWORKS WILL INCREASE LOCAL GOVERNMENT PARTICIPATION IN ENERGY EFFICIENCY INITIATIVES

Benefits of Regional Energy Networks

The goals of the Regional Energy Networks (RENs) are to access untapped markets to drive greater reductions in energy use, implement comprehensive upgrades with long-term savings, maximize opportunities for market transformation, create jobs, and invest ratepayer funds strategically to benefit local communities. Regional Energy Networks will be accountable for meeting or exceeding final adopted cost-effectiveness criteria and will achieve energy savings and other identified outcomes.

The Regional Energy Networks will provide a regional framework for local governments to implement cross-sector energy strategies that will leverage other available resources, funding, and financing tools to produce deeper energy savings with greater greenhouse gas (GHG) reductions. Within this framework, REN members can more effectively plan and evaluate how potential projects can access the array of available resources across jurisdictions from federal, state, and other sources, and align them with specific offerings from Local Government Partnerships and other IOU and Third Party programs. The Regional Energy Networks will provide integrated program management capabilities for local governments through:

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of 2013-2014 Energy Efficiency Programs and Budget (U39M).	Application 12-07-001 (Filed July 2, 2012)
And Related Matters.	Application 12-07-002 Application 12-07-003 Application 12-07-004
Order Instituting Rulemaking to Examine the Commission 鈥s Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues	Rulemaking 09-11-014 (Filed November 20, 2010)

MOTION FOR CONSIDERATION OF MARIN ENERGY AUTHORITY ENERGY EFFICIENCY PROGRAM FOR 2013-2014

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July 16, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of 2013-2014 Energy Efficiency Programs and Budget (U39M).	Application 12-07-001 (Filed July 2, 2012)
And Related Matters.	Application 12-07-002 Application 12-07-003 Application 12-07-004
Order Instituting Rulemaking to Examine the Commission 鈥檚 Post-2008 Energy Efficiency Policies, Programs, Evaluation, Measurement, and Verification, and Related Issues	Rulemaking 09-11-014 (Filed November 20, 2010)

MOTION FOR CONSIDERATION OF
MARIN ENERGY AUTHORITY
ENERGY EFFICIENCY PROGRAM FOR 2013-2014

Pursuant to the instructions of Administrative Law Judge ("ALJ") Julie Fitch in the Administrative Law Judge 鈥橲 Ruling Regarding Procedures for Local Government Regional Energy Network Submissions for 2013-2014 and for Community Choice Aggregators to Administer Energy Efficiency Programs dated June 20, 2012 ("Ruling") and Rule 11.1 of the Rules of Practice and Procedure of the California Public Utilities Commission ("Commission"), the Marin Energy Authority ("MEA") respectfully makes the current motion for consideration of the Marin Energy Authority Energy Efficiency Program for 2013-2014 ("MEA Program").

The MEA Program is being submitted pursuant to California Public Utilities Code ("P.U. Code") Section 381.1(a), which permits a community choice aggregator ("CCA") to "apply to become administrators of cost-effective energy efficiency and conservation programs." Under the MEA Program, MEA proposes to administer various energy efficiency programs, as

described below and in detail in the attached MEA Program proposal, using funds collected throughout MEAs jurisdiction.

The MEA Program consists of four sub-programs: (i) Multi-Family Program; (ii) Small Commercial Program; (iii) Single-Family Utility Demand Reduction Program; and (iv) Finance Pilots Program. Specifically, to build upon successful regional programs, MEA proposes sub-programs that will:

> Enhance Investor Owned Utility (IOU)-offered single-measure and whole-building retrofit programs for multi-family properties through targeted outreach and technical support to multi-family property owners, with new incentives to support single- and multi- measure options for common areas and tenant improvements.
>
> Provide Small Commercial Program offering incentives for multi-measure retrofits, initiated through targeted outreach and technical support to small commercial property owners.
>
> Augment the IOU Single-Family Programs through innovative marketing and outreach efforts, and increased homeowner awareness and activity using custom decision-making support tools and software and options for greater reduction of utility demand across socio-economic lines.
>
> Implement On-bill Repayment (OBR) pilot of a financing program to enable accessibility of financing to underserved markets including moderate and middle income homeowners, owners of multifamily housing serving affordable populations, and owners of small businesses without easy access to financing.
>
> Implement MEA pilot Standard Offer Program for Energy Efficiency Procurement utilizing best practices from around the country. This finance program, by its design, will introduce competition for demand reduction into the marketplace and will serve those areas that have been historically underserved, including multi-family and small commercial.

The MEA Program has been designed to augment, and not overlap with, IOU-administrated programs (such as single family programs) and concurrently filed Regional Energy Network (REN) programs, and creates new programs to fill lacunae in current energy efficiency efforts (such as multi-family programs and the energy efficiency procurement standard offer).

MEA thanks Assigned Commi ssioner Ferron and Assigned Ad ministrative Law Judges Fitch and Farrar for their consideration of this Motion.

Respectfully submitted,

Jeremy Waen
Regulatory Analyst

By: /s/ Jeremy Waen
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Dated: July 16, 2012

BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of 2013-2014 Energy Efficiency Programs and Budget (U39M).	Application 12-07-001 (Filed July 2, 2012)
Application of San Diego Gas & Electric Company (U902M) for Approval of Electric and Natural Gas Energy Efficiency Programs and Budgets for Years 2013 through 2014.	Application 12-07-002 (Filed July 2, 2012)
Application of Southern California Gas Company (U904G) for Approval of Natural Gas Energy Efficiency Programs and Budgets for Years 2013 through 2014.	Application 12-07-003 (Filed July 2, 2012)
Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency and Demand Response Integrated Demand Side Management Programs and Budgets for 2013-2014.	Application 12-07-004 (Filed July 2, 2012)

MOTION FOR CONSIDERATION OF THE SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK FOR SOUTHERN CALIFORNIA EDISON'S SERVICE TERRITORY FOR 2013 2014

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For the County of Los Angeles and the Southern California Regional Energy Network

Dated: July 16, 2012

TABLE OF CONTENTS

I. INTRODUCTION

Pursuant to □ule 11□ of the) alifornia Public (tilities) ommission (“) ommission”) □ules of Practice and Procedure, and in accordance with the *Administrative Law Judge’s Ruling Regarding Procedures for Local Government Regional Energy Network Submissions for 2013-2014 and for Community Choice Aggregators to Administer Energy Efficiency Programs* , issued June 20, 2012 (“ALJ’s □uling”), the) ounty of Los Angeles (LA) ounty), for itself and on behalf of the Southern) alifornia □egional Energy □etwork (So) al□E□), is pleased to submit this application to establish So) al□E□ as a Local Government □egional Energy □etwork (“□E□”) serving public agencies and their constituencies within Southern) alifornia Edison’s (“S) E’s”) service territory that bring strong expertise and experience in the development and implementation of regional and local energy and sustainability programs, and request funding for the 2013-2014 transition period is in the amount of $[redacted] Funds are also requested in a separate Motion related to the Southern) alifornia Gas) ompany Energy Efficiency Application in the amount of $14□4 million for a commensurate level of gas efficiency efforts□ $he total combined So) al□E□ request is in the amount of $63□7 million□

$his Application is being submitted in concert with at least one other □E□ proposal, the Bay Area □E□ (“Bay□E□”), which is being developed under the Association of Bay Area Governments□ $he concept and development of the □E□s was accomplished through the activities of the Local Government Sustainable Energy) oalition (“LGSE) ”)□[1] $he LGSE) will continue to represent the interests of the □E□s in) ommission proceedings and will be leveraged to develop additional □egional Energy □etworks in the future□ $he) ommission should consider

[1] $he LGSE) is a statewide membership organization of cities, counties, associations and councils of government, special districts, and non-profit organizations that support government entities□ Each of these organizations may have different views on elements of this Application, which were approved by the LGSE) ’s Board□ A list of LGSE) ’s members can be found at www□lgsec□org□

the foregoing two RENs, SoCalREN and BayREN, acting together as a combined pilot, statewide system that will expand the reach of energy efficiency and other energy management programs to local governments and other public agencies.

As discussed in general terms herein and in greater detail in the attached Program Implementation Plan, SoCalREN considers the SCE proposal to be reasonable and consistent with the provisions of the 2013-2014 Energy Efficiency Portfolio Application Information Requirements (Chapter 4). As discussed in Section V below, this Application is designed to complement SCE's Application without overlap and is therefore also reasonable and consistent with the Commission's Information Requirements. Appendix "A", attached to this Application, is the Program Implementation Plan ("PIP") for the SoCalREN. This PIP was developed as directed by the Commission [2], using the templates circulated on May 24, 2012. Should the Commission find that it requires additional information, the SoCalREN will work with the Commission's staff in a timely fashion to ensure that the Commission has everything required to approve this Application.

II. BACKGROUND *

D.12-05-015 (the "Guidance Decision") encouraged local governments to submit PIPs and budgets for REN pilots for the 2013-2014 energy efficiency transition period. The Guidance Decision stated that: "Authorizing pilots in the 2013-2014 transition portfolio would provide local governments the opportunity to develop a track record. We anticipate that the 2013-2014 programs would lead to a series of lessons learned on the appropriate level of local government administration of ratepayer-funded energy efficiency programs." (p.147). The Guidance Decision provided direction on information that should be included in the PIPs. This Application is

[2] *See,* D.12-05-015, issued January 27, 2012, Ordering Paragraph 34, at pp. 404.

Attachment I: California Independent System Operator Corporation, Proposal on Phase 1 Issues, R.11-10-023, January 13, 2012

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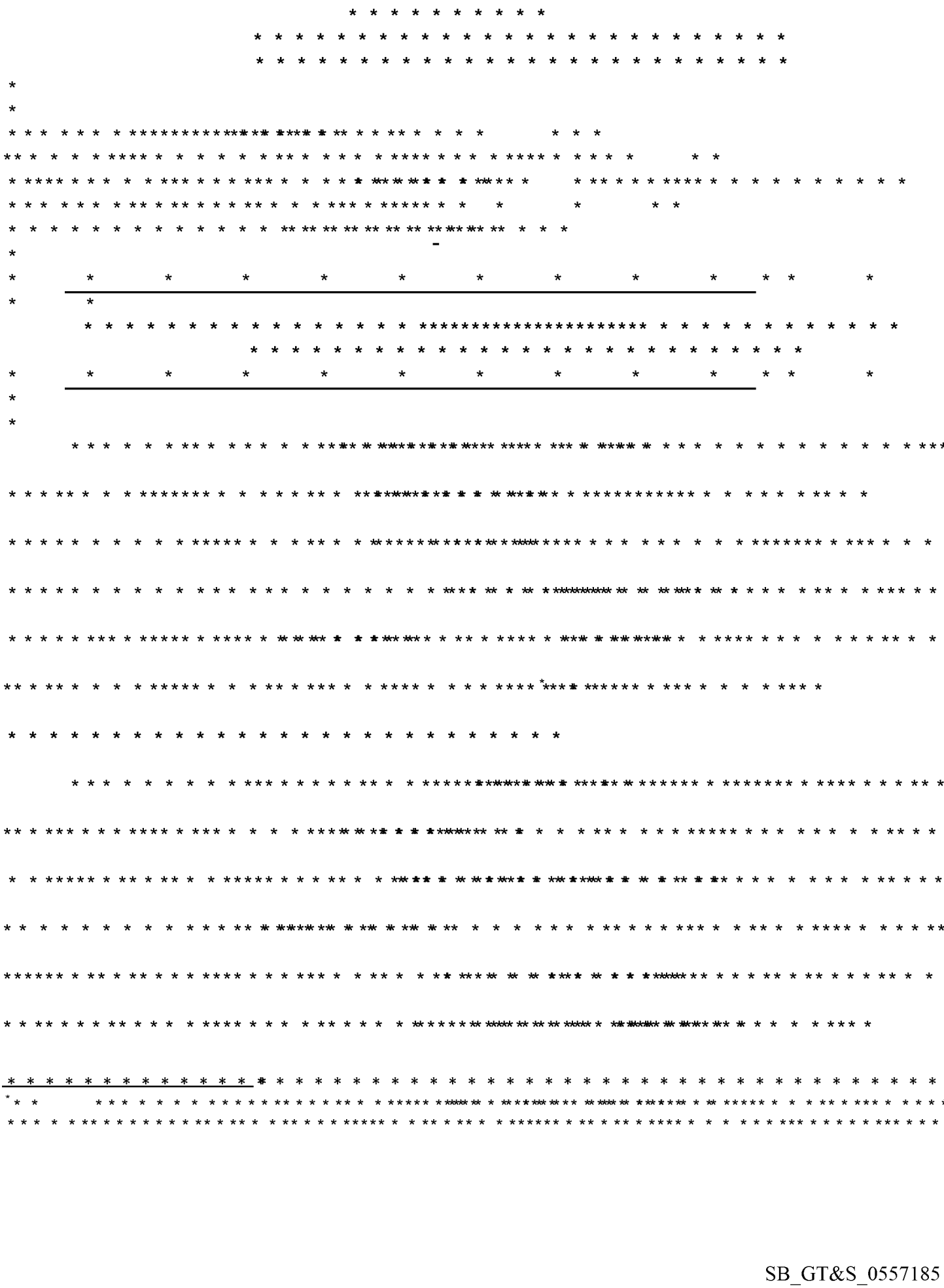
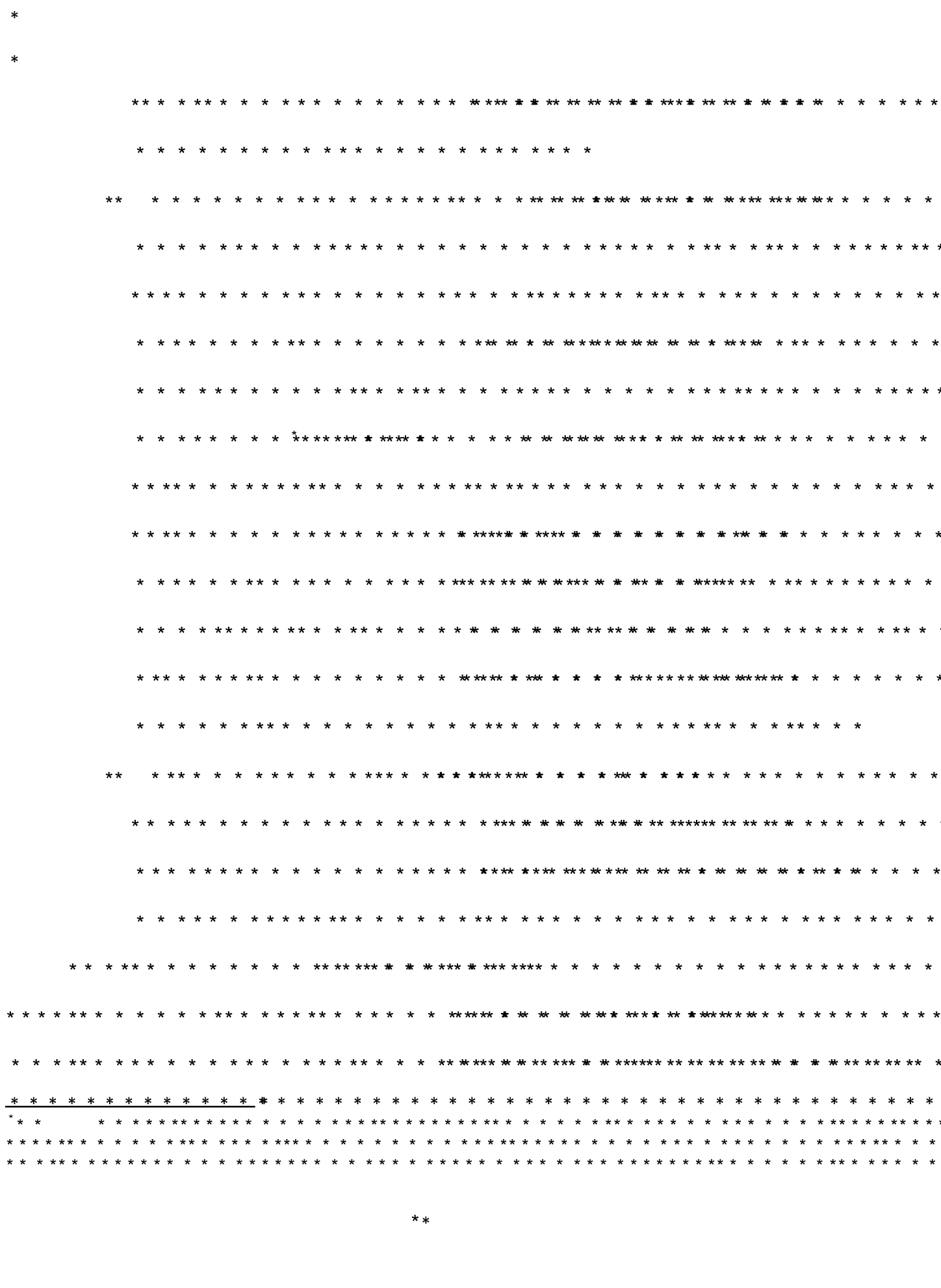
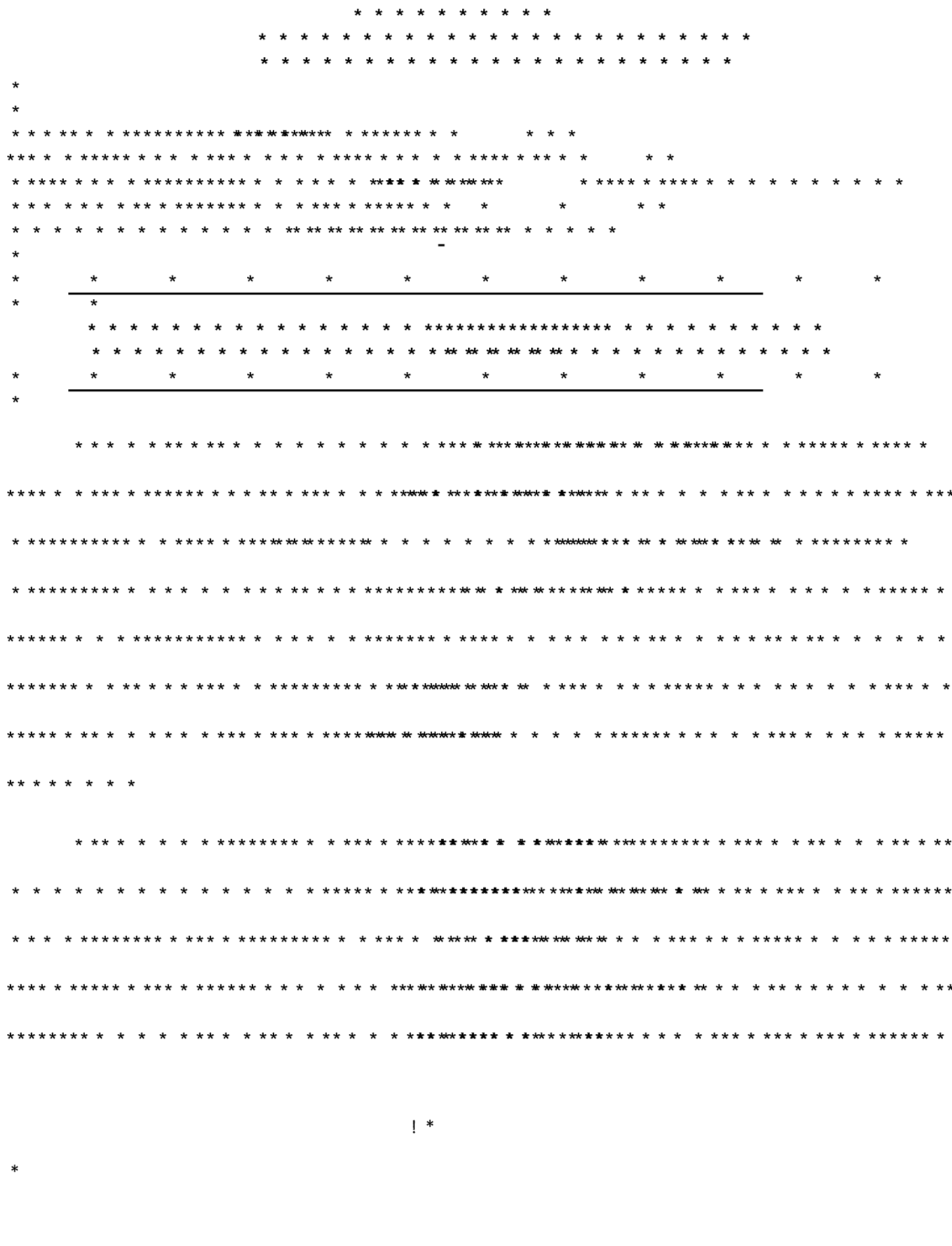




Attachment J: California Independent System Operator Corporation, Submission of Supplemental Information to Proposal, R.11-10-023, March 2, 2012



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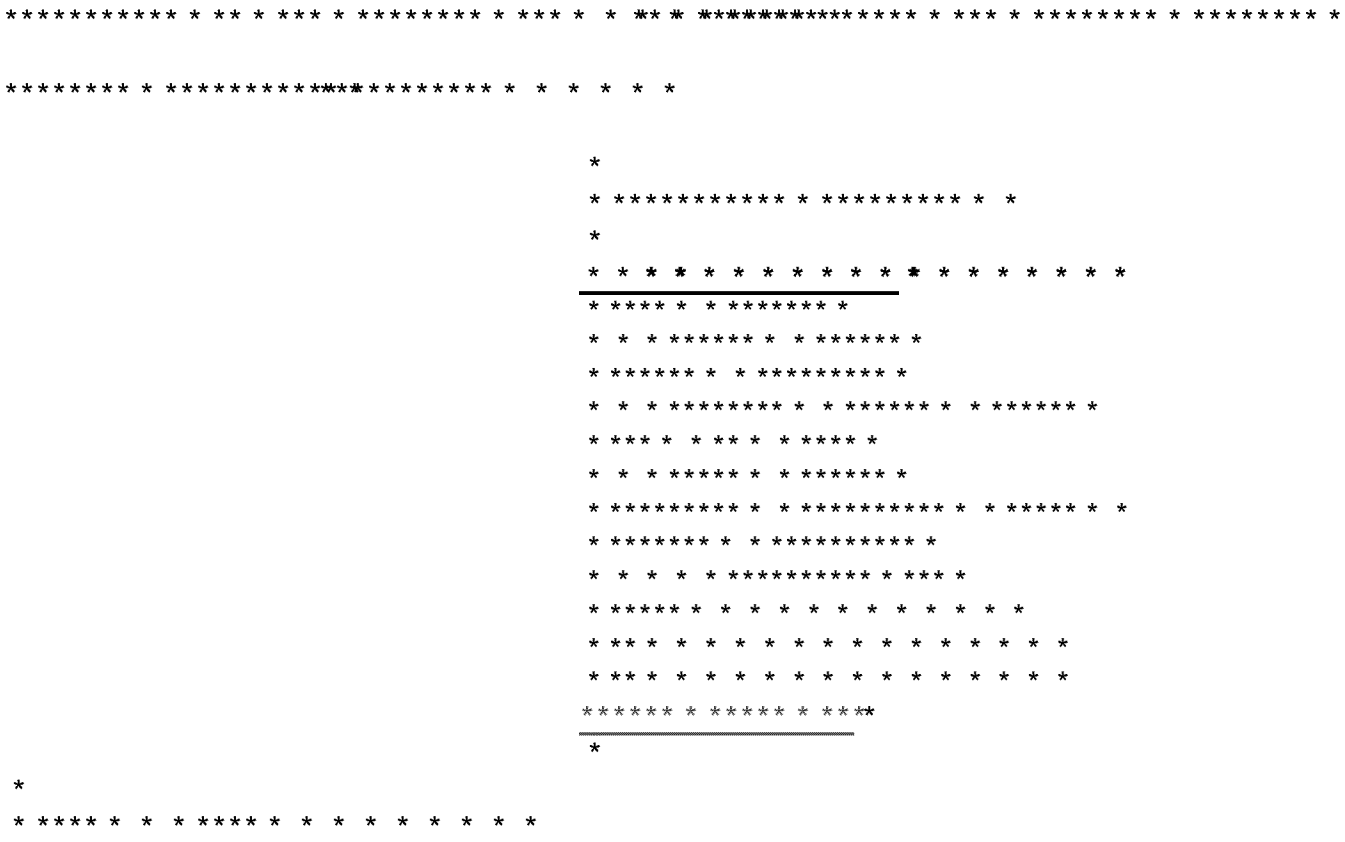

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2013 Flexible Capacity Procurement Requirement

Supplemental Information to Proposal

March 2, 2012

Prepared by: Market and Infrastructure Policy
California Independent System Operator

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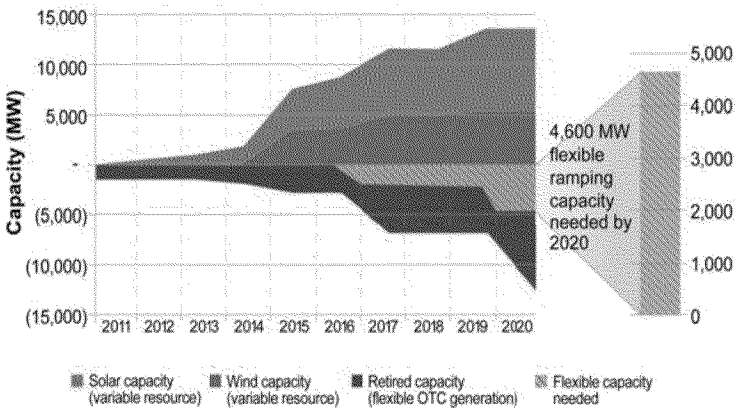
1.0 Executive Summary *

California's electric system is undergoing one of its most significant transformations ever. In an effort to drive California toward a cleaner, greener and more diverse energy supply portfolio, policy makers have enacted some of the strictest and time aggressive environmental regulations in the country. California is simultaneously implementing a renewables portfolio standard, which requires that 33 percent of retail energy sales be met by eligible renewable energy by 2020, while simultaneously eliminating the use of once through cooling technology at coastal power plants, causing the potential retirement of 12,079 megawatts of generation, or 21 percent of California's installed generation capacity, over the next eight years.[1] The ISO anticipates that retirement of once through cooled resources will create a capacity gap of more than 3,500 megawatts needed to serve load in the ISO's balancing authority area as early as the end of 2017, and the ISO projects this capacity gap to grow to 4,600 megawatts by 2020. The ISO's analyses identifying this capacity gap take into account new capacity additions, most of which will be variable energy resources. The 4,600 megawatt deficiency by 2020 also assumes that the 535 megawatt Sutter Energy Center, which is currently at risk of retirement, is part of the supply fleet.



California is also pursuing the development of 12,000 megawatts of distributed generation resources, which are relatively small scale and largely inflexible resources connected to utility distribution systems and located close to load. Distributed generation is another component of California's strategy for diversifying and increasing the share of renewable resource electricity production in the state. Even though increased levels of distributed generation may decrease system peaks, it may also increase load variability on the grid, potentially adding to the overall energy variability of the grid.

As the system operator for a majority of the state, the ISO is responsible for maintaining grid reliability and doing so in a cost effective manner, particularly in light of the significant transformation that the electricity grid is undergoing. Nothing, however, could undermine the state's environmental policy goals more quickly than reliability issues or significant consumer cost impacts. Planning for the availability of flexible resources, which are those resources that can respond to ISO dispatch instructions, can help avoid reliability and cost impacts in the near future.

[1] Installed net dependable capacity in the ISO balancing authority area in January 2012 was 58,458 MW.

Given the impending challenges of this transformation, the ISO has identified several * concerns that underlay the need for securing sufficient flexible capacity to respond to the * changing grid conditions and to propose a flexible capacity requirement beginning in 2013. * * These concerns are: *

1. The once through cooling policy will reduce the number of flexible resources. *

   *California)s State Water Resources Control Board has promulgated a rule that * eliminates most once through cooled resources by the end of 2020. *As*a result, * 12,079 megawatts of flexible generation resources are impacted and could retire as * early as the end of 2017. * * *

2. Intermittent resource additions will quickly displace flexible capacity in meeting * resource adequacy obligations. * *

   *Without timely modification to the Commission)s resource adequacy program, * inflexible and variable resources will displace resource adequacy capacity sourced * from traditional flexible resources that have historically satisfied the CPUC)s resource * adequacy capacity requirements. *Unlike most conventional resources, many * renewable resources operate on intermittent fuel supplies, such as sunshine and * wind, and are incapable of responding to ISO dispatch instructions and needs. * * *

3. Flexible resources will retire prematurely due to revenue insufficiency unless * enhancements are made to the resource adequacy program. * *

   *ISO studies show that intermittent resources increase supply variability and decrease * supply predictability, which require greater readiness and response from flexible * generation. *These studies also demonstrate that increases in the penetration of * renewable resources will result in decreasing energy market revenues for traditional, * flexible generation as more energy is provided by renewable generation. *Moreover, * the traditional, flexible generation resources will be cycled more frequently, causing * greater wear and tear and increasing operating costs. * * *

*Any parameters for flexibility must support ISO operational needs and align with the * existing market structure and resource adequacy construct. *Consistent with these * objectives, the ISO has determined that appropriate, durable parameters for assessing * flexibility are these three operational attributes: *

* Maximum continuous ramping * * * *

  *Maximum continuous ramping is the megawatt amount by which the net load (load * minus wind and solar) is expected to change in either an upward or a downward * direction continuously in a given month. *

* Load following * * * *

  *Load following is the ramping capability of a resource to match the maximum * megawatts by which the net load is expected to change in either an upward or a * downward direction in a given hour for the relevant resource adequacy compliance * month. *

* Regulation * * * *

*Regulation is the capability of a generating unit to automatically respond during the * intra dispatch interval to the ISO;s four second automatic generation control signal * to adjust its output to maintain system frequency and tie line load with neighboring * balancing area authorities. * * *

These three categories represent the operational flexibility attributes needed by the ISO * and can be applied on a resource by resource basis to assess the amount of flexible capacity * each resource can provide. To determine the total amount of capacity needed of each of * these three categories for 2013, the ISO based the requirements on an historical analysis of * the 2011 changes in net load for durations relevant to the three categories of flexible * capacity. A comparative analysis of the net load changes for the years 2006 and 2010, and a * comparison of the three flexible capacity categories across the years 2006, 2010 and 2011 * can be found in Appendix A. * *

The table below lists the proposed 2013 resource adequacy requirements for each of * the three flexible capacity categories by month for the ISO balancing authority area. The * maximum continuous ramping capacity is based on the duration of the continuous upward * ramp for each month. For the regulation requirement, the values are shown only for * informational purposes. Although the table shows the approximate regulation requirement * based on analysis of the 1 minute change in net load within any 5 minute interval, the ISO * recommends that a regulation requirement not be set in 2013, but be evaluated for use in * 2014 and beyond based on additional information provided by the implementation of * regulation pay for performance metrics. *

*

2011								
Monthly System Requirements	Maximum Continuous Ramp			60-Minute Load Following Requirement		Regulation Requirement		
	Capacity (MW)	Ramp Rate (MW/min.)	Duration (Hr.)	60-min Capacity (MW)	Ramp Rate (MW/min.)	5-minute Capacity (MW)	Ramp Rate (MW/min.)	
January	8,133	32.7	4.2	3,935	66	664	132.8	
February	6,982	32.8	3.6	3,630	60	656	131.3	
March	5,453	26	3.4	3,271	55	1,020	204.0	
April	8,859	20	7.4	2,897	48	544	108.7	
May	8,000	22	6.0	2,951	49	678	135.7	
June	11,382	32	5.9	2,637	44	637	127.5	
July	13,544	23	9.8	3,137	52	840	167.9	
August	18,181	27	11.1	2,933	49	686	137.1	
September	17,824	34	8.7	3,004	50	634	126.8	
October	9,510	20	7.8	3,514	59	635	126.9	
November	7,855	22	5.9	3,746	62	1,351	270.2	
December	7,577	29	4.3	4,506	75	668	133.7	*

*

The ISO proposes that flexible capacity requirements be established for each month of * the year. Establishing the requirements monthly will recognize that the amounts of flexible * capacity needed differ month to month. The inventory of traditional flexible capacity * resources that can provide maximum continuous ramping and load following capacity, as * demonstrated in this report, should provide sufficient procurement headroom in 2013 to * avoid any market power concerns with meeting these requirements. * * * * * * *

The implementation of a flexible capacity procurement requirement for compliance * year 2013 requires CPUC action in this proceeding to modify the resource adequacy * program and FERC approval of the tariff amendments that result from the ISO stakeholder * process on flexible capacity procurement. It is critical that we take action this year to put * these requirements in place to ensure the resource adequacy fleet can continue to meet the * reliability needs of the system for 2013 and beyond. Doing so will also mitigate the need for * the ISO to engage in backstop procurement of flexible generation capacity should load * serving entities fail to procure sufficient flexible capacity on their own. *

The ISO has put forth a reasonable, needs based proposal for 2013 to begin refining the * CPUCs resource adequacy program to incorporate flexible capacity. The ISO looks forward * to working collaboratively with the CPUC, other local regulatory authorities and * stakeholders to preserve sufficient flexible resources that can satisfy the maximum * continuous ramping and load following capabilities for 2013 while preparing the way for the * 33 percent renewables portfolio standard and the possible retirement of 12,079 megawatts * of flexible capacity once through cooled resources. *

2.0 What is flexible capacity? *

2.1 * What is resource flexibility? * *

The first step in determining a resourceÕs flexible capacity is to assess its operational * flexibility, which is the resourceÕs ability to respond to ISO dispatch instructions. The degree * of flexibility each resource has is determined by: *

* How fast the resource can ramp up or down; *
* How long the resource can sustain an upward or downward ramp; * *
* How quickly the resource can change its ramp direction; *
* How far the resource can reduce output and not encounter emission limitations; *
* How quickly the resource can start; and * *
* How frequently the resource can be cycled on and off. *

A resourceÕs degree of flexibility is largely qualitative; a resourceÕs flexibility at any * particular time can vary depending on the status of that resource (e.g., on line or off line) or * other operating parameters (e.g., current MW output or operating range). *

Given the essential, yet qualitative nature of flexibility, the ISO must set parameters to * reasonably assess a resourceÕs flexibility. Any parameters for flexibility must support ISO *