

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

Order Instituting Rulemaking to Reform the Commission's
Energy Efficiency Risk/Reward Incentive Mechanism

Rulemaking 12-01-005
(Filed January 12, 2012)

NOTICE OF EX PARTE COMMUNICATION

July 3, 2013

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Pursuant to Rule 8.2, 8.3, and 8.5 of the California Public Utilities Commission's Rules of Practice and Procedure, the Natural Resources Defense Council (NRDC) hereby gives notice of the following ex parte communication. NRDC initiated the communication, which occurred by teleconference on Tuesday, July 2, 2013. Devra Wang, Director, California Energy Program, and Peter Miller, Senior Scientist at NRDC spoke with Brian Kimball, advisor to Commissioner Sandoval for half an hour at 3 pm. No written materials were used.

Ms. Wang discussed NRDC's recommendation that the CPUC should align the financial signals it gives the utilities to guide their businesses with its policy priorities in the "loading order." She highlighted two key recommendations for improvements to the Assigned Commissioner Ruling's (ACR) proposal: (i) to use ex-ante EM&V estimates for 2013-14 (instead of making retroactive adjustments using ex-post results) to allow the Commission and all parties to focus their time and resources on the higher priority endeavor of establishing an improved EM&V process that builds confidence in the energy savings estimates, and (ii) to encourage utilities to maximize *savings* from codes and standards efforts as an integral part of the market transformation cycle (rather than simply encouraging them to spend money on the activity). Mr. Miller discussed the value of creating a forum for technical experts to vet energy saving estimates in a transparent, public process in order to build confidence in energy savings estimates, which is important for the incentive mechanism and, more importantly, in long-term procurement and statewide greenhouse gas reduction efforts.

Dated: July 3, 2013

Respectfully submitted,



Devra Wang
Director, California Energy Program