

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Regarding
Policies, Procedures and Rules for the
California Solar Initiative, the Self-Generation
Incentive Program and Other Distributed
Generation Issues.

Rulemaking 12-11-005
(Filed November 8, 2012)

**THE DIVISION OF RATEPAYER ADVOCATES' COMMENTS ON PROPOSED
DECISION GRANTING IN PART A PETITION FOR MODIFICATION REGARDING
THE ADMINISTRATION BUDGET FOR THE CALIFORNIA SOLAR INITIATIVE**

DIANA L. LEE

Attorney for the Division of Ratepayer Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-4342
E-mail: diana.lee@cpuc.ca.gov

VALERIE KAO

Analyst for the Division of Ratepayer Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-1341
E-mail: valerie.kao@cpuc.ca.gov

September 23, 2013

TABLE OF CONTENTS

I.	INTRODUCTION	1
II.	DISCUSSION.....	1
	A. THE COMMISSION SHOULD MODIFY THE PD TO REQUIRE PG&E AND SCE TO DEMONSTRATE COMPLIANCE WITH CONCLUSIONS OF LAW 6 AND 7 FOR EXPENDITURES OF LABOR FRINGE AND LEGAL FEES AND IF OUT OF COMPLIANCE, TO PROPOSE A METHOD TO CORRECT THE MISALLOCATION OF ANY FUNDS.....	1
III.	CONCLUSION	2

I. INTRODUCTION

Pursuant to Rule 14.3 of the Commission's Rules of Practice and Procedure, the Division of Ratepayer Advocates (DRA) submits the following comments on the Proposed Decision of President Peevey Granting in Part a Petition for Modification Regarding the Administration Budget for the California Solar Initiative ("PD"), issued September 3, 2013. The PD addresses the California Center for Sustainable Energy's (CCSE) August 3, 2012 Petition for Modification to address a potential shortfall in the non-residential portion of its California Solar Initiative (CSI) program administration budget ("Petition").¹ DRA supports a swift adoption of the PD with two modifications: the final decision should order Pacific Gas & Electric Company (PG&E) and Southern California Edison Company (SCE) to demonstrate their compliance with Conclusions of Law 6 and 7 for past labor fringe and legal fees, and if out of compliance, to propose a method to correct the misallocation of any funds.

II. DISCUSSION

A. **The Commission Should Modify The PD To Require PG&E And SCE To Demonstrate Compliance With Conclusions Of Law 6 And 7 For Expenditures Of Labor Fringe And Legal Fees And If Out Of Compliance, To Propose A Method To Correct The Misallocation Of Any Funds.**

DRA supports the PD's determination to deny CCSE's request to direct San Diego Gas & Electric Company to allocate all of CCSE's past, present and future CSI fringe labor charges and legal costs to general rate base, but reiterates its recommendation that the Commission investigate CCSE's assertion that PG&E and SCE have charged CSI program expenditures to accounting mechanisms outside of their CSI budget, and potentially above their statutorily authorized limits. The PD acknowledges that DRA recommended an investigation into CCSE's claim, but does nothing to address CCSE's allegation or DRA's recommendation. The Commission should modify the PD to require PG&E and SCE to demonstrate compliance with Conclusions of Law 6 and 7 for expenditures of labor fringe and legal fees, and if out of compliance, to propose a method for correcting the misallocation of any funds.

¹ R.10-05-004 Petition of the California Center for Sustainable Energy (CCSE) for Modification of Decisions D.10-09-046, D.08-10-036, D.11-07-031 and D.06-08-028 to Address California Solar Initiative General Market Program Administration Budget Issues within CCSE's Program Territory, <http://docs.cpuc.ca.gov/PublishedDocs/EFILE/PM/172338.PDF>, filed August 3, 2012.

III. CONCLUSION

DRA recommends that the Commission order PG&E and SCE to demonstrate their compliance with Conclusions of Law 6 and 7 for labor fringe and legal fees and if out of compliance, to propose a method to correct the misallocation of any funds.

Respectfully submitted,

/s/ DIANA L. LEE

Diana L. Lee
Staff Counsel

Attorney for the Division of
Ratepayer Advocates

California Public Utilities Commission
505 Van Ness Ave.
San Francisco, CA 94102
Phone: (415) 703-4342
E-mail: dil@cpuc.ca.gov

September 23, 2013

APPENDIX A

DRA's PROPOSED CHANGES TO CONCLUSIONS OF LAW AND ORDERING PARAGRAPHS

Conclusions of Law

6. The only source of funding for CSI fringe labor charges and legal costs is CSI PAs should seek recovery of fringe labor charges and legal costs through the CSI General Market program administration budget. Southern California Edison Company and Pacific Gas and Electric Company shall each demonstrate compliance with the requirement that the only source of funding for fringe labor charges and legal costs is the CSI General Market program administration budget. In the event either Southern California Edison Company and/or Pacific Gas and Electric Company cannot demonstrate compliance with this cost recovery requirement, the utility(ies) shall propose a method to correct the misallocation of any funds.

7. Allowing the CSI PAs to seek recovery of fringe labor charges and legal costs from the general rate base would result in the violation of Pub. Util. Code § 2851, because it would cause the CSI program to exceed the program budget set by the legislature. Southern California Edison Company and Pacific Gas and Electric Company shall each demonstrate compliance with the requirement that fringe labor charges and legal shall not be recovered from the general rate base. In the event either Southern California Edison Company and/or Pacific Gas and Electric Company cannot demonstrate compliance with this cost recovery requirement, the utility(ies) shall propose a method to correct the misallocation of any funds.

Ordering Paragraphs

4. Not later than 30 days after the effective date of this decision, Southern California Edison Company, and Pacific Gas and Electric Company shall file a Tier 3 Advice Letter to demonstrate compliance with the requirements that the only source of funding for fringe labor charges and legal costs is the CSI General Market program administration budget and that fringe labor charges and legal costs shall not be recovered from the general rate base. In the event either Southern California Edison Company and/or Pacific Gas and Electric Company cannot demonstrate compliance with these cost recovery requirements, the utility(ies) shall propose a method to correct the misallocation of any funds.