

BEFORE THE PUBLIC UTILITIES COMMISSION  
OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Concerning  
Energy Efficiency Rolling Portfolios,  
Policies, Programs, Evaluation, and  
Related Issues.

Rulemaking 13-11-005  
(Filed November 14, 2013)

**PREHEARING CONFERENCE STATEMENT OF  
THE OFFICE OF RATEPAYER ADVOCATES**

**I. INTRODUCTION**

Pursuant to the Administrative Law Judge's ("ALJ") *Notice of Prehearing Conference and Administrative Law Judge's Ruling* ("Ruling") of November 27, 2013, the Office of Ratepayer Advocates ("ORA") hereby submits this prehearing conference ("PHC") statement.

The November 14, 2013, *Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues* ("OIR") categorizes this proceeding, as ratesetting and establishes that the procedural issues be addressed in three phases. The Ruling proposes a schedule for Phase 1 of the proceeding as follows:

<b>Event</b>	<b>Date</b>
PHC statements due (6 pages is the limit)	12/6/13
Phase I PHC	12/11/13
Comments on goals and potentials study	12/20/13
Phase I Scoping memo	12/23/13
ACR issues on goals and potentials	1/27/14
Administrators file for 2015 funding	2/15/14
Workshop re administrator filings	Week of 2/17/14
Comments on administrator filings	3/7/14
Reply comments on administrator filings	3/14/14
PD issues on 2015 portfolio funding	4/14/14
Commission votes on 2015 portfolio	5/5/14

The Ruling allows parties to submit PHC statements no later than December 6, 2013 and requested that parties address the following questions:

1. whether there is any objection to the categorization of the proceeding;
2. whether we should adopt or modify the proposed schedule for Phase I of this proceeding; and,
3. what form administrator filings should take for 2015 portfolio funding.

Within these comments, ORA addresses these questions and offers a proposal to modify the scope of Phase 1 in order to better serve the purposes of the Rolling Portfolio Cycle.

## **II. RESPONSE TO ALJ RULING QUESTIONS**

### **1. Is there any objection to the categorization of the proceeding?**

The proceeding is categorized as ratesetting. ORA agrees with the categorization of the proceeding.

### **2. Should we adopt or modify the proposed schedule for Phase I of this proceeding?**

ORA finds the proposed schedule for Phase I listed above is reasonable.

### **3. What form should the administrator filings take for 2015 portfolio funding?**

ORA recommends that the administrator filings take place within the R.13-11-005 proceeding as a response to a ruling. As stated in the OIR, the Commission intends to approve a slightly modified portfolio which largely carries over 2014 programs and budgets into 2015.<sup>1</sup> It is also important to authorize funding for 2015 in a timely manner. The IOUs should file a 2015 plan which includes, but is not limited to, the following;

*Portfolio changes as listed in the OIR*

- 1) Portfolio adjustments to reflect the adoption of an updated energy efficiency goals and potentials study, and resulting energy efficiency targets.
- 2) Portfolio adjustments in response to the decommissioning of San Onofre Nuclear Generating Station (specific to Southern California Edison and San Diego Gas and Electric Company).

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<sup>1</sup> OIR, p. 6.

- 3) Portfolio adjustments that reflect the five-year funding for energy efficiency projects associated with Proposition 39.<sup>2</sup>
- 4) Necessary information regarding funding authorization (as included in the Decision Adopting Bridge Funding for 2009 EE Programs).
- 5) A proposal for modifying 2014 budget levels so that they can be carried over into 2015 and are consistent with reaching 2015 goals.
- 6) A proposal for how pre-2015 unspent or unallocated funds will be used in 2015.<sup>3</sup>

### **III. ORA'S PROPOSED MODIFICATIONS TO THE SCOPE OF PHASE I**

In the OIR, the Commission lays out a plan for Phase I including one year of additional funding for energy efficiency programs in 2015 and Phase II including how rolling portfolios will begin in 2016.<sup>4</sup> ORA shares the concerns of the other parties that do not wish to delay the benefits of a Rolling Portfolio until 2016. The Commission should provide an opportunity for parties to submit proposals which could both address the need for 2015 funding and also lay the groundwork for the Rolling Portfolio cycle.

ORA has been significantly involved in the stakeholder coalition formed to guide the development of a rolling portfolio cycle, including efforts to mitigate disruptions to the market caused by the process and timing of the typical 3 year EE regulatory cycle. The OIR sets forth the intention to extend funding for an additional year of program activity in Phase I. This approach forgoes, without discussion, the possibility of starting the specific aspects of the Rolling Portfolio cycle (i.e., a funding mechanism) that would also serve as the one year of additional funding envisioned in Phase 1. ORA is concerned that this will result in the unintended consequences involved with re-negotiating contracts twice in two years (once in 2014 for the 2015 programs then again in 2015 under a the newly established rolling portfolio). Instead, ORA would like the scope of Phase 1 to consider proposals for a funding mechanism that would begin in 2015, eliminate the stop/start nature of the two-three-year portfolio cycles, and allow for the phase-in of the rolling portfolio cycle elements. It is appropriate to allow for

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<sup>2</sup> OIR, p. 7.

<sup>3</sup> D.08-10-027, Decision Adopting Bridge Funding for 2009 Energy Efficiency Programs, p. 4.

<sup>4</sup> *Id.*, pp. 4-5.

such flexibility in 2015 because the rolling cycle framework is expected to be completed in the near future (September of 2014 as stated in the OIR).<sup>5</sup>

ORA appreciates the opportunity to provide early input into the scope of the R.13-11-005 proceeding and looks forward to continue to work on issues discussed in this statement within this proceeding.

Respectfully submitted,

/s/ CHRISTOPHER CLAY

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<sup>5</sup> OIR, p. 5.