

**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  
(November 14, 2013)

**PREHEARING CONFERENCE STATEMENT OF  
SAN DIEGO GAS & ELECTRIC COMPANY (U902M)**

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Dated: December 6, 2013

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San Diego Gas & Electric Company (“SDG&E”) respectfully submits the following Prehearing Conference Statement pursuant to the Notice of rehearing Conference and Administrative Law Judge’s Ruling (“Notice of Prehearing Conference”), issued on November 27, 2013 in the above-entitled proceeding.

**I. RESPONSES TO QUESTIONS SET FORTH IN NOTICE OF PREHEARING CONFERENCE**

**A. Whether there is Any Objection to The Categorization of the Proceeding**

SDG&E does not object to the categorization of this proceeding as “Ratesetting.”

(R. 13-11-005, at p. 27.)

**B. Whether the Commission Should Adopt or Modify the Proposed Schedule for Phase I of this Proceeding**

Under the proposed schedule, the Commission would issue an Assigned Commissioner’s Ruling on goals and potentials on January 27, 2014. Within less than three weeks of receiving this guidance, Program Administrators would be required to submit requests for 2015 funding on February 15. SDG&E submits that, to merely recalibrate the existing program, without making any material changes, would take a minimum of 1 month. It would also assume using the Advice Letter process similar to the compliance filings required following the approval of the EE program portfolio. However, if Administrators were required to revise and resubmit full

Program Implementation Plans (“PIPs) or submit a revised portfolio, more time would be necessary. SDG&E also notes that any program changes that would require a revenue requirement change would also require rate change application.

SDG&E assumes that the proposed compressed schedule has been adopted with an expectation that only minimal changes could be implemented for 2015. If that is the Commission’s objective, SDG&E agrees, but submits that the proposed schedule should be revised to provide administrators with at least one month in which to prepare and submit 2015 funding requests following the Commission’s issuance of a decision on goals and potentials.

SDG&E supports a schedule that is designed to minimize program changes for 2015, with the exception of easily implemented changes such as allowing for open ended contracting that could ease the transition into a 2016 program that includes rolling cycle portfolios.

However, SDG&E, in working with other Energy Efficiency stakeholders, recommend that the Phase I decision should leave open the possibility that 2015 could function as the first year in a long-term Rolling Portfolio, depending on the outcome of the Phase II decision. In addition, SDG&E agrees that providing administrators with sufficient funding authority in Phase I to continue programs beyond 2015 would support the transition to Rolling Portfolios without prejudicing the outcomes of the subsequent Phases of this proceeding. SDG&E also recommends that the Commission should schedule workshops in March 2014 to explore potential “Rolling Portfolio” proposals under development by parties and/or Commission staff to assist the Commission in developing a Phase II record in a manner that would allow the Commission to achieve the Commission’s target Phase II decision date of September 2014. Such a schedule would maximize available time and resources to proactively work to develop the “Rolling Portfolio” commencing in 2016 that incorporates changes such as rolling cycle/budgets,

which would allow Energy Efficiency programs to operate in a more predictable manner rather than being driven by the ebbs and flows of Energy Efficiency schedules and processes.

SDG&E recommends that the Commission consider redefining the current cycle of 2013-2014 to 2013-2015. This would allow for program performance towards meeting the 2013-2015 cumulative saving goals and allow for 2013-2014 unspent funds to be automatically carried over to support achieving the 2013-2015 cumulative goal.

A recalibration of the 2013-2014 Energy Savings Performance Incentive (“ESPI”) mechanism in R.12-01-005 should also be done to account for changes in goals and the 2015 budget augmentation.

**C. What Form Should Administrator Filings Take For 2015 Portfolio Funding?**

SDG&E believes that changes for 2015 should be minimized so as to allow for the dedication of adequate resources to developing a more sustainable and predictable mechanism with rolling cycles for 2016. If the Commission follows this recommendation, the Commission should require utilities to submit 2015 funding requests by Advice Letter. The Commission should avoid adopting changes that would require unnecessarily burdensome filing requirements in conjunction with 2015 bridge year funding.

If there is a need to request an increase in program budgets that would result in an increase in authorized revenue requirements, it may be more appropriate to file an application. However, if there are no significant program changes other than an increase in budget to achieve higher 2015 goals, unnecessarily burdensome filing requirements such as full PIPs, etc., can be avoided.

## II. CONCLUSION

SDG&E appreciates this opportunity to submit a Prehearing Conference Statement in this matter.

DATED at San Diego, California, on this 6th day of December, 2013.

Respectfully submitted,

By:     /s/ Thomas R. Brill    

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