

**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 LOCAL GOVERNMENT SUSTAINABLE ENERGY COALITION,
THE SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK, AND
THE SOUTHERN CALIFORNIA REGIONAL ENERGY NETWORK**

Jody S. London
Jody London Consulting
P.O. Box 3629
Oakland, California 94609
Telephone: (510) 459-0667
E-mail:
jody_london_consulting@earthlink.net

FOR Local Government Sustainable
Energy Coalition

December 6, 2013

GERALD LAHR
Energy Programs Manager
Association of Bay Area Governments
101 8th Street
Oakland, California 94607
Telephone: (510) 464-7908
E-mail: JerryL@abag.ca.gov

FOR San Francisco Bay Area Regional
Energy Network

Howard Choy, General Manager
County of Los Angeles Office of
Sustainability
1100 North Eastern Avenue
Los Angeles, CA 90063-3200
(323) 267-2006
HChoy@isd.lacounty.gov

FOR Southern California Regional Energy
Network

I. INTRODUCTION

Pursuant to Rule 7.2 of the California Public Utilities Commission's ("Commission") Rules of Practice and Procedure and the *Notice of Prehearing Conference Administrative Law Judge's Ruling* ("Ruling") issued November 27, 2013, in this proceeding, the Local Government Sustainable Energy Coalition¹ ("LGSEC"), the Bay Area Regional Energy Network ("BayREN"), and the Southern California Regional Energy Network ("SoCalREN", collectively "Government Parties") submit this prehearing conference statement. The Government Parties commend the Commission for the bold policy changes envisioned in the Rulemaking, and look forward to working with the Commission and other stakeholders to improve energy efficiency and related services for California's energy consumers.

II. RESPONSE TO RULING

The ALJ Ruling asks parties to respond to three questions:

1. Any objection to this proceeding being categorized as Ratesetting;
2. Whether the CPUC should adopt or modify the proposed schedule for Phase 1; and
3. The form of administrator filings for 2015 portfolio funding.

A. Question 1: Proceeding Category

The Government Parties have no objection to the categorization of this proceeding as Ratesetting.

B. Question 2: Proposed Schedule

The Government Parties support the commitment to provide certainty regarding funding for 2015 well in advance of the current termination date for the Transition Period. The Commission should be mindful as it establishes the schedule for Phase 1 of the importance of

¹ The LGSEC 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 these comments, which were approved by the LGSEC's Board. A list of our members can be found at www.lgsec.org.

funding continuity to continued program success. The Government Parties have reviewed an advance draft of the Statement to be submitted by The Utility Reform Network (“TURN”) and support TURN in requesting that the Phase 1 decision support the OIR’s stated objectives for moving to Rolling Portfolios, particularly eliminating market barriers, reducing transaction costs, and increasing opportunities to capture all cost-effective energy efficiency savings.

The Government Parties observe that there is very little time between the end of January, when the Commission anticipates adopting the updated energy savings goals, and the mid-February filing date for the 2015 continuation program. We appreciate the Commission’s interest in using the most current data available, and request that the Commission be prepared to support and facilitate applicants’ efforts to meet the expectations of the OIR and the Goals Study.

In developing this Prehearing Conference Statement, the Government Parties have had an opportunity to coordinate with other parties. The Government Parties join the National Association of Energy Service Companies and TURN in requesting the Commission use the current Transition Period as it might be extended to pilot programs that use the existing condition of buildings as the base case, rather than the current code. Local governments know from ongoing work in our communities that maximize efficiency in the existing building stock, incentives must remain available for projects that bring a building from existing conditions up to or beyond current code, not just for the incremental additional savings achieved from exceeding code. We would like the opportunity to begin now, as California begins implementation of Energy Code updates in Title 24, to identify those programs that will best help building owners increase the energy efficiency of their buildings.

The Government Parties agree with the proposal that will be brought forward in PG&E’s statement that 2015 be considered the third year in this Transition Period, rather than a separate

one-year portfolio period. We also agree with PG&E that unspent funds from 2013-2014 should be available for program implementers and administrators. This will ensure program continuity and maximum program performance between now and the end of 2015.

C. Question 3

The Government Parties appreciate the opportunity to provide input on the form of filing to be made by the current administrators for 2015. The BayREN and the SoCalREN both administer their respective programs. The two RENs recommend the Commission accept Advice Letter filings for their 2015 programs. The RENs may wish to make some modifications to their programs, based on their experience to date. This can be accomplished within an Advice Letter filing, and does not require a full-blown application. Given the shortened time frame the Commission envisions, it is not practical for the Commission to process full applications.

III. CONCLUSION

The Government Parties encourage the Commission to move ahead with Phase 1 as envisioned in the Ruling. The Commission should direct program administrators to submit Advice Letters for 2015 programs. The Commission should allow pilots in 2015 that use the true “existing condition” of buildings as the base case, rather than the current code.

Respectfully submitted,



Howard Choy, General Manager
County of Los Angeles Office of Sustainability
1100 North Eastern Avenue
Los Angeles, CA 90063-3200
(323) 267-2006
HChoy@isd.lacounty.gov

For THE SOUTHERN CALIFORNIA
REGIONAL ENERGY NETWORK



Gerald Lahr
Energy Programs Manager
Association of Bay Area Governments
101 8th Street
Oakland, California 94607
Telephone: (510) 464-7908
E-mail: JerryL@abag.ca.gov

For THE BAY AREA REGIONAL ENERGY
NETWORK



Jody S. London
Jody London Consulting
P.O. Box 3629
Oakland, California 94609
Telephone: (510) 459-0667
E-mail: jody_london_consulting@earthlink.net

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