

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

Application of Southern California Edison Company (U 338-E) for Approval of its 2012- 2014 California Alternate Rates for Energy (CARE) and Energy Savings Assistance Programs and Budgets.	A.11-05-017 (Filed May 16, 2011)
Application of Southern California Gas Company (U 904-G) for Approval of Low-Income Assistance Program and Budgets for Program Years 2012-2014.	A.11-05-018 (Filed May 16, 2011)
Application of Pacific Gas and Electric Company for Approval of the 2012-2014 Energy Savings Assistance and California Alternate Rates for Energy Programs and Budget (U 39-M)	A.11-05-019 (Filed May 16, 2011)
Application of San Diego Gas & Electric Company (U 902-M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2012-2014	A.11-05-020 (Filed May 16, 2011)

**DRAFT SOUTHERN CALIFORNIA EDISON COMPANY'S (U338-E) MOTION FOR  
AN EXTENSION OF TIME TO FILE ENERGY SAVINGS ASSISTANCE AND  
CALIFORNIA ALTERNATE RATES FOR ENERGY PROGRAMS AND BUDGETS  
APPLICATIONS FOR 2016-2017 AND FOR A 2015 BRIDGE FUNDING PERIOD**

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**I.**

**INTRODUCTION**

Pursuant to Rules 11.1 and 11.6 of the Rules of Practice and Procedure of the California Public Utilities Commission (Commission or CPUC), Southern California Edison Company (SCE), on behalf of itself, Southern California Gas Company (SoCalGas) and San Diego Gas & Electric Company (SDG&E) (Joint Parties), hereby requests an extension of time in which to file its Energy Savings Assistance (ESA) and California Alternate Rates for Energy (CARE) Programs and Budgets Application for the upcoming three-year program cycle, and additionally

requests an interim Bridge Funding period. Specifically, Joint Parties request an extension of time until April 1, 2015, for filing the 2016-2017 ESA and CARE Programs and Budgets Application, and requests approval for Bridge Funding for the 2015 Program Year. Providing Bridge Funding for 2015 will allow the Commission sufficient time to adequately consider the IOUs' April 1, 2015, filing, including all intervenor comments, and to issue a Final Decision with sufficient time for the IOUs to implement any program changes required by the Final Decision by January 1, 2016.

## II.

### DISCUSSION

Commission Decision (D.) 12-08-044 ordered that the 2015 – 2017 ESA and CARE Programs and Budgets applications for the California investor-owned utilities (IOUs) are due July 1, 2014.<sup>1</sup> However, Joint Parties believe that filing their applications within this time frame may not be ideal, primarily because there are several unresolved pending policy issues and program requests that are essential to ensure consistency across the IOUs' applications. Furthermore, the Commission has not yet issued a guidance ruling or decision (Guidance Decision) to inform the IOUs' applications. And in the absence of a Guidance Decision it is difficult to prepare consistent IOU applications. Joint Parties specific concerns underpinning this recommendation are provided below.

#### A. Guidance Decision Has Not Been Issued

The Joint Parties are awaiting a Guidance Decision from the Commission to provide the direction of the utility applications for the 2015-2017 program cycle. Even if a Guidance Decision is issued in the next few weeks, the Joint Parties would have less than three months to gather the information and documentation necessary to compile, prepare, and then file their applications. Joint Parties do not believe this is sufficient time to prepare a fully supported

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<sup>1</sup> D.12-08-044, Ordering Paragraph (OP) #146 at p. 418.

application for the 2015-2017 program cycle.

**B. IOU Applications Would Be More Consistent If The Policy Issues Before The Commission Are Resolved Prior To The Filing Of The Applications Rather Than Having Each Utility Address Those Issues Separately In Their Individual Filings**

The Commission in a July 2013 Ruling issued a revised schedule to, in part, resolve Phase Two issues in the proceeding.<sup>2</sup> The revised schedule included a November 2013 date for a “Projected Final Proposed Phase Two Decision.” Joint Parties are concerned that in the absence of the yet-to-be-issued Phase Two Decision, which is also expected to resolve matters addressed in submitted Petitions for Modification (PFM) of C.12-08-044<sup>3</sup>, there will be insufficient guidance to provide for uniform direction of the IOUs’ applications for the three-year period commencing in 2015. Due to the timing involved, the utilities will have insufficient time to incorporate any policy issues that are resolved. Joint Parties and other stakeholders have worked diligently with the Commission to address Phase Two issues and believe there is an opportunity to better structure program design in 2016 and 2017 by resolving such issues before filing the requisite applications.

A July 2014 filing allows *only three months* to resolve the policy issues and issue a final Decision and only two months to make all the necessary program changes prior to beginning the January 2015 programs. The 2012 – 2014 cycle *required 15 months* between the application and final decision and required multiple revised scoping memos due to schedule slippage. Several contentious issues raised three years ago remain unresolved. Proceeding with the July 1, 2014 Applications may result in one or more unplanned bridge periods prior to a final decision. Developing detailed plans and budgets requires IOUs to make assumptions on unresolved issues

<sup>2</sup> Joint Second Amended Scoping Memo and Ruling of Assigned Commissioner and Administrative law Judge, July 24, 2013.

<sup>3</sup> SoCalGas and SDG&E filed PFMs on October 29, 2012 requesting, among other authorities, the augmentation of their ESA Program 2012 – 2014 program cycle budgets. SCE filed a PFM on October 29, 2012 addressing issues related to the ESA, CARE, and Cool Centers programs. SCE on November 1, 2013, filed a PFM on behalf of itself, SDG&E, SoCalGas, and PG&E, requesting a specific modification related to the Energy Education study.

and poses an inefficient use of time by IOUs and intervenors.

A 2015 bridge year will provide adequate time to resolve contentious issues to better structure uniform IOU 2016 – 2017 Applications. During a bridge year, the ESA Program in 2015 will progress toward the 2020 goal of offering programs to all eligible and willing customers, and the utilities will continue to administer the CARE program, conduct outreach, and process CARE applications

Unresolved implementation issues will affect program design and funding requirements. Workshops are likely necessary to resolve issues ahead of a 2016 – 2017 filing. The following list includes some of the key issues that will drive program design and funding requirements:

#### **Phase II Issues**

<b>Program</b>	<b>Issue</b>	<b>Description</b>
ESA	Multi-Family	Common-area measures in federally subsidized multi-family housing through ESA or EE programs
ESA	Workforce, Education, & Training (WE&T)	Data tracking of contractor wages / whether to implement wage floors, inclusion strategy
ESA	Cost-Effectiveness	Adopt revised tests and program or measure level threshold
ESA	Unwillingness	Adoption of a percentage of customers “unable” or “unwilling” to participate will affect budget for homes remaining to be treated through 2020
ESA	2020 Goal	Determine if progress is acceptable
ESA	Treated Homes	Revise 2002 definition
ESA	Modified 3-Measure-Minimum Rule & Easy to Install Measures	Whether to allow installation of easy to install measures during assessment without requirement to meet measure minimums, and provide energy education to all homes at time of assessment
ESA	Competing Priorities	Balance between achieving cost effective EE and addressing health, safety, and comfort
ESA	Authorized Budget	Approve augmentations to the SoCalGas and SDG&E budgets as proposed in their October 29, 2012 PFM's.
CARE	Outreach	Maintain high penetration as increased verification leads to removal of ineligible customers from CARE
CARE	Categorical Eligibility	Determine programs substantially similar with 200% FPG limit

If the utilities proceed with filing Applications in July 2014, in order to avoid a bridge period in 2015, a schedule similar to the one presented below is a potential outcome and could present numerous challenges to the Commission and other interested parties:

**A Schedule without Bridge Funding in 2015**

<b>Dates</b>	<b>Task</b>	<b>Comments</b>
<b>7/1/2014</b>	<b>Income Qualified Programs 2015 – 2017 Application Due</b>	<i>Filing Date required by D.12-08-044</i>
7/22	Party Comments on App	<i>Only three months are available to resolve all issues prior to issuing a decision – not possibly sufficient.</i>
7/29	Reply Comments	
7/1-8/8	Discovery	
8/15-8/29	Pre Hearing Conference and or Public Workshops	
9/5	Briefs Due	
9/10-9/12	Hearings (if needed)	
<b>10/1</b>	<b>Proposed Decision Issued</b>	
10/15	Comments on the PD Due	
10/20	Reply Comments on the PD Due	
<b>11/6</b>	<b>Decision Voted on by the Commission</b>	<i>Minimum amount of time required following Decision to prepare for new Programs implemented 1/2/2015</i>
11/6-12/15	Update contracts for Decision-authorized Program	
11/6-11/17	Update training curriculum for Decision-authorized Program	
11/17-1/31	Train contractors (holidays make this difficult to schedule)	
11/6-12/31	Update/print marketing & collateral material	
<b>1/2/2015</b>	<b>2015 – 2017 ESA – CARE Programs implemented</b>	

The Joint Parties believe a schedule, such as the one above, is likely to lead to an unplanned bridge period in 2015 with considerable uncertainty among the utilities and service providers in how to structure contracts and policies. A preferable approach is to account for a planned bridge period in 2015 that would enable services to be delivered seamlessly without interruption while the resources of all parties can be focused on resolving the remaining Phase 2 issues in order to guide the 2016 – 2017 program delivery. Joint Parties submit that a bridge year can be accommodated through an Assigned Commissioner Ruling or Decision using

information provided by the IOUs to inform determination of the bridge year details. Joint Parties emphasize the importance of a full year term to avoid the disruption experienced from month to month bridge funding. Joint Parties also believe treating 2015 as the fourth year of a program cycle is desirable; the conjunction of 2015 to create a 2012 – 2015 program cycle would provide program administrators the flexibility to meet customer’s needs. For example:

- **ESA Program Goals:** Administrators would be allowed to manage programs to meet cumulative 2012-2015 homes treated goals
- **Fund Shifting:** Administrators would be allowed to manage program funds according to the current Commission fund shifting guidelines
- **Contracting Considerations:** Program cycles typically begin slowly and ramp up in activity. By establishing a four year 2012 – 2015 cycle, it will allow more time for programs to gain momentum and meet objectives and customer participation goals.

A schedule, similar to the one presented below enables the Commission to establish policy guidance in advance of the 2016 – 2017 Applications.

**A Schedule with Bridge Funding in 2015**

<b>Dates</b>	<b>Task</b>
<b>5/1/2014</b>	<b>CPUC ACR or Decision Adopting Bridge Funding in 2015 for Low Income Programs</b>
5/1 – 9/30	Workshops on Key Implementation Issues
10/30	Proposed Decision / ACR on outstanding policy issues
12/15	Final Decision and Guidance Document for 2016 – 2017
<b>1/1/2015</b>	<b>Bridge year begins for ESA and CARE Programs</b>
<b>4/1/2015</b>	<b>Income Qualified Programs 2016 – 2017 Application due to CPUC</b>
4/15	Party Comments on Applications
4/22	Reply Comments
4/27-6/1	Discovery
6/8-6/22	Pre Hearing Conference and or Public Workshops
6/29	Briefs Due
7/6-7/8	Hearings (if needed)
<b>8/5</b>	<b>Proposed Decision Issued</b>
8/19	Comments on the PD Due

8/24	Reply Comments on the PD Due
<b>9/3</b>	<b>Decision Voted on by the Commission</b>
9/3-12/15	Update contracts for Decision-authorized Program
9/3-11/17	Update training curriculum for Decision-authorized Program
9/10-11/20	Train contractors
9/3-12/31	Update/print marketing & collateral material
<b>1/2/2016</b>	<b>2016 – 2017 ESA – CARE Programs implemented</b>

**III.**

**CONCLUSION**

For the reasons discussed herein, the Joint Parties respectfully request an extension of time until April 1, 2015 to file its 2016-2017 ESA and CARE Programs and Budgets Application, and requests approval for Bridge Funding for the 2015 Program Year.

Respectfully submitted,

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