PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY
AND COMPLIANCE DIVISION
Energy Branch

RESOLUTION E-3337
October 6, 1993

RESOLUTION

RESOLUTION E-3337. SOUTHERN CALIFORNIA EDISON COMPANY REQUEST FOR AUTHORIZATION TO ENGAGE IN ENvestSCE PILOT PROGRAM USING 1992 CARRY OVER DEMAND-SIDE MANAGEMENT FUNDS.

BY ADVICE LETTER NO. 1011-E and 1011-E-A, filed on July 30, 1993 and September 7, 1993.

SUMMARY

1. In this advice letter, Southern California Edison Company (Edison) requests authority to engage in the acquisition, lease, sale and disposal of energy conservation assets in connection with a pilot demand-side management (DSM) program called ENvestSCE, described in Advice Letter 1011-E and its attachments, using 1992 carry over DSM funds and redirection of other authorized funds.

2. Edison requests certain tariff revisions and additions to allow it to engage in the ENvestSCE pilot.

3. Edison requests certain findings of reasonableness with respect to the expenditure of ratepayer funds, as well as findings regarding the impact of this pilot on the competitive market.

4. This resolution authorizes Edison to engage in the ENvestSCE program on a pilot basis, with certain clarifications, approves Edison's requested tariff changes, but does not make any findings regarding reasonableness of ratepayer expenditures or the impact of the pilot on the competitive market. This resolution also sets forth additional evaluation criteria which must be satisfied before moving to full implementation of this program.

5. Four parties (Transphase Systems, Inc. (Transphase), Parke Industries Inc. (Parke), Toward Utility Rate Normalization (TURN), and Southern California Gas Company (SoCal)) filed protests. Six parties (Division of Ratepayer Advocates (DRA), Demand Management Company (DMC), California Large Energy Consumers Association (CLECA), the California Energy Commission (CEC), and the National Association of Energy Service Companies (NAESCO)) sent letters of support in whole or in part. The protests of Transphase, Parke, and SoCal are denied in full; the

protest of TURN is granted in one aspect but denied in all others.

BACKGROUND

1. Edison is requesting approval to test a new approach to stimulate energy efficiency in its service territory. This approach, called ENvestSCE, is proposed to utilize up to $75 million in shareholder funds, $15 million in general ratepayer funds, with additional ratepayer funds, up to $9 million through 1995, for administrative support. Through ENvestSCE, Edison proposes to offer interested customers a one-stop source for energy efficiency solutions. Energy efficiency solutions include, but are not limited to, equipment, maintenance, energy audits, and financing. Edison proposes to facilitate the delivery of comprehensive energy efficiency solutions through a network of qualified energy services companies (ESCOs), third-party manufacturers and vendors of proven, cost-effective energy efficiency equipment and services. Edison will make funds available to finance these energy efficiency solutions. Energy efficiency and productivity savings will provide the source of funds for participating customers to repay the cost of the energy efficiency solution package.

2. As proposed, ENvestSCE is a pilot program which Edison recommends be in effect through December 31, 1995 or until success warrants full implementation. This program will be funded primarily by shareholders with limited use of ratepayer funds (up to the lower of 20% of project costs or $1 million per participating customer). These funds will be used to finance investments in energy efficiency equipment and services with customer repayment through a charge which appears on regular utility billings. Edison believes that this program will overcome many of the market barriers associated with traditional rebate programs, allowing more customers to invest in energy efficiency. Participating customers will repay the cost of the energy efficiency solution package (minus ratepayer contribution), credit loss reserve costs, warranty costs, fixed rate premium costs, and Edison's authorized return. Credit loss reserves and warranty costs are charged to each participating customer as part of the monthly bill to be used in the event of customer default or non-performance under the contract. Fixed rate premium costs are charged to participating customers who prefer a fixed rate over the term of the contract.

3. In order to qualify for participation in this program, proposed energy efficiency solutions must pass the Total Resource Cost (TRC) test and all applicable cost-effectiveness standards. Minimum project costs have been established which consist of $250,000 for the private sector and $100,000 for the public sector. Ratepayer funding of solution costs is limited to an amount which ensures that participating customers will retain at least 20% of energy savings. Edison has agreed that any ratepayer funds utilized for this program will be subject to reasonableness review.

4. Edison's shareholders will provide a "wrap-around" guarantee that manufacturers' warranties on energy efficient equipment will be honored. Edison's shareholders will also guarantee that the ENvestSCE solution package will deliver the anticipated energy efficiency benefits during the manufacturer's warranty period, at a minimum, or longer, depending on the contract with a specific customer. These features are designed to provide single-party accountability for the performance of the third-party vendor network and distinguish the ENvestSCE program from traditional rebate programs.

5. During the pilot period, and throughout the duration of the contracts, all ENvestSCE costs are proposed to be tracked in a series of new accounts, separate from Edison's existing DSM Adjustment Clause. Upon completion of the pilot contracts, any revenue in excess of projects costs and the authorized utility return on shareholder investments will be returned to ratepayers.

6. In a conditional letter of support of the ENvestSCE pilot, DRA has proposed that Edison establish a regulatory monitoring group to monitor and address implementation issues which may arise during the ENvestSCE pilot. Edison has accepted this suggestion. Edison also plans to submit a portfolio level report within 120 days of the end of the pilot period, analyzing:

- environmental, utility system, and customer operation impacts;
- efficiency improvements attributable to the program;
- financial and loan loss results;
- accounting of all ratepayer funds utilized; and
- customer experience.

7. Edison proposes to use $15 million in 1992 DSM carry over ratepayer funds (authorized in Resolution E-3336) for energy efficiency solution investments and credit loss reserve ($13 million and $2 million respectively). In addition, Edison proposes to redirect $1 million in previously authorized 1993 DSM funds for administrative costs. Edison has also indicated that it intends to seek authority to redirect up to $4 million in 1994 DSM funds into ENvestSCE administration by a future Advice Filing. Edison has informed the Commission Advisory and Compliance Division (CACD) it expects to request up to $4 million in ratepayer funds for ENvestSCE administration for 1995 in its Test Year 1995 General Rate Case (GRC).

8. Edison's test year 1988 GRC decision, Decision (D.) 87-12-066, established guidelines governing the shifting of Edison's DSM funds and affords Edison flexibility to shift up to $2.5 million within programs per GRC without an Advice Filing. Edison is required to file an Advice Letter to move funds beyond

this $2.5 million cumulative ceiling within programs and to move funds between incentive categories.

9. D.91-12-076 adopted the fund-shifting guidelines established in D.87-12-066, and added an additional guideline that Edison should not be allowed to shift funds into/or among fuel-substitution, load building and load retention programs.

10. On July 30, 1993, Edison filed Advice Letter 1011-E. On August 17, 1993, Edison sent a letter to the Energy Branch Chief accepting certain conditions proposed by DRA in a conditional letter of support.

12. On September 7, 1993, Edison filed supplemental Advice Letter 1011-E-A, at CACD's request, to establish that this advice filing be effective upon California Public Utilities Commission (Commission) Resolution.

NOTICE

The original and supplemental Advice Letters were noticed in accordance with section III of General Order 96-A by publication in the Commission Calendar and distribution to Edison's advice filing service list.

PROTESTS

1. CACD has received timely filed protests from Transphase, Parke, and TURN. In addition, SoCal submitted a late-filed protest on September 2, 1993. CACD has received letters of support of Edison's filing from DRA (conditional support), DMC, CLECA, CEC, and NAESCO. While NAESCO's letter supported Edison's Advice Filing, it also raised similar concerns raised by the protestants.[1] On August 24, 1993, Edison submitted a response to timely filed protests.

2. The protests raise issues which can be broken down into three general areas: 1) procedural, 2) ratepayer funding, and 3) competitive impacts. These issues will be addressed fully below.

DISCUSSION

1. The first issues which must be resolved are procedural. Several protestants have taken issue with Edison's presentation of a program of this size and scope through the Advice Letter forum. Protestants argue that Edison should have filed an application for approval of this pilot program. CACD shares

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1 Attached to NAESCO's comments was a September 7, 1993 letter from Edison addressed to Ms. Terry E. Singer which provided additional clarifications regarding the ENvestSCE pilot to NAESCO.

these concerns; in general, a program change of this magnitude would be appropriately handled through an application. However, Edison has presented ENvestSCE as a pilot of limited duration which utilizes carry over funds (and therefore causes no rate increase) and does not result in a withdrawal of service. For these reasons, CACD believes that this request can be handled through the Advice Letter forum and recommends this aspect of the protests be denied. However, CACD cautions Edison, and all utilities interested in presenting new DSM programs to the Commission, to carefully consider the appropriateness of the Advice Letter forum for new programs.

2. Edison states that ENvestSCE is designed to respond directly to barriers that have prevented traditional DSM programs from achieving more of the potential for customer investment in cost-effective energy efficiency and services. Through ENvestSCE, Edison hopes to penetrate untapped markets for energy efficiency and respond to the need for innovative program design during these difficult economic times. CACD commends Edison for attempting to address, through the design of new program offerings, many of the questions and concerns that were raised at the Commission's February 25, 1993 Full Panel Hearing on DSM. Because ENvestSCE is proposed on a pilot basis, many of the programmatic details we would expect in a permanent program proposal are not found in this filing. CACD is willing to overlook these data deficiencies on a pilot basis but expects more detail upon any request to move to full implementation. In general, however, CACD believes that the ENvestSCE program, on a pilot basis, provides a new delivery mechanism for energy efficiency which should be explored, and therefore, recommends authorization of the ENvestSCE pilot as clarified below.

3. The next issue to address is the requested funding level. Edison has requested authority to reallocate $15 million of 1992 DSM carry over funds to be used for energy efficiency solution costs and credit losses ($13 million and $2 million respectively) and for authority to redirect $1 million of 1993 DSM funds to ENvestSCE program administration. Edison has indicated that it will request additional redirection of up to $8 million for program administration in 1994 and 1995. This brings the total ratepayer funding potential of the ENvestSCE pilot to $24 million. CACD shares TURN's concern that the level of ratepayer expenditure may be too high for a pilot program. In its letter of conditional support, DRA requested that all ENvestSCE ratepayer expenditures be subject to reasonableness review, a condition which Edison has accepted. Due to the unique nature of the use of ratepayer and shareholder funds in this pilot, CACD also recommends a reasonableness review of the use of ratepayer funds for the ENvestSCE pilot program. All ratepayer funds used for ENvestSCE program activities shall be subject to Commission review of reasonableness for management prudence in light of the circumstances that existed at the time decisions were made. A Commission finding of imprudence, a violation of program conditions or guidelines, or other misuse of ratepayer funds in the ENvestSCE program could lead to discontinuance of the program, disallowance, and/or penalty.

4. In order to determine if the requested funding level is appropriate, the expected ratepayer benefits of the ENvestSCE program should be compared with the expected ratepayer benefits of traditional rebate programs under a given funding level. Edison expects greater penetration, because of the program design of ENvestSCE, compared to traditional rebate programs. In addition, Edison will leverage ratepayer funds with shareholder funds to better utilize general ratepayer support. If the pilot performs as expected, the ratepayer benefits should exceed what would be expected in a traditional rebate program.[2] Therefore, CACD recommends that Edison's request to reallocate $15 million of 1992 carry over funds (consistent with Resolution E-3336) and $1 million of 1993 funds for use in the ENvestSCE program be authorized.[3] However, CACD fully expects that Edison will make its best effort to minimize the use of ratepayer funds for this pilot and expects that the evaluation of the pilot, as well as the reasonableness review, will scrutinize Edison's efforts to minimize ratepayer expenditures and maximize ratepayer benefits.

5. Transphase and TURN have raised concerns regarding the risk ratepayers will bear under ENvestSCE transactions. TURN notes that it is not clear that ratepayer benefits under the ENvestSCE pilot with ratepayer funding are substantially different than the benefits under a scenario without ratepayer funding. CACD is concerned that ratepayers may be assuming more risk than is desirable under this pilot. Several factors mitigate these concerns: 1) Edison is investing shareholder funds which will not be recovered, much less earn a return, unless Edison makes prudent choices regarding risk; 2) the risk of benefits not materializing under the ENvestSCE pilot does not appear to be greater than under traditional rebate programs, in fact, the contractual nature of ENvestSCE leads to more remedies for the utility should a customer default or equipment not perform as specified; and 3) ratepayer funds will be subject to reasonableness review. These factors mitigate the risk to ratepayers and justify their limited funding of the ENvestSCE pilot.

6. Since Edison has agreed that all ratepayer expenditures will be subject to reasonableness review, CACD recommends that this resolution not adopt Edison's requested findings regarding reasonableness of ratepayer expenditures or any equipment installed under this program. Such findings, as suggested by TURN, are at best, premature.

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2 CACD notes that Edison did not present any numerical analysis on a programmatic level regarding the benefits expected from this pilot. CACD recommends the Commission require Edison to include such information in any request for full implementation.

3 CACD does not make any recommendation in this Resolution regarding future redirection or authorization of funds for ENvestSCE pilot program administration.

7. CACD recommends that the new Experimental Schedule GSN: ENvestSCE Equipment Service be approved. This schedule sets forth the formula for customer repayment of energy efficiency solution costs and a general form of the ENvestSCE customer contract.

8. CACD recommends approval of Edison's proposed addition of the ENvestSCE Pilot Program Adjustment Mechanism (EPPAM) to its Preliminary Statement in the tariffs. EPPAM establishes several tracking accounts to track all expenditures for the ENvestSCE pilot separate from other DSM expenditures. In addition, it sets up an adjustment account such that, upon termination of the last contract associated with the ENvestSCE pilot, any overcollection to this account will be refunded to ratepayers through balancing account treatment.

9. Edison has requested approval of revisions to Tariff Rule No. 2: Description of Service and Tariff Rule No. 11: Discontinuance and Restoration of Service to allow the utility to provide services beyond the company's Point of Delivery. These are straightforward tariff changes and CACD recommends their approval.

10. As stated above, CACD is generally supportive of Edison's requests in this filing. However, CACD is concerned with the potential impacts of the pilot program on the competitive market. In its response to the protests of Transphase, Parke, and TURN, Edison restates its belief that this program will expand the market for energy efficiency, not hinder its development as others believe may occur. As discussed in D.92-09-080, Chapter 984 of the Statutes of 1983 expresses the legislature's intent that the energy efficiency market develop in a competitive manner, free from the dominance of utilities, but it does not specify the manner in which the Commission should ensure this outcome. Testing new delivery mechanisms, like ENvestSCE, as pilots, will provide empirical evidence that will assist the Commission in fulfilling its mandate as expressed in Chapter 984 of the Statutes of 1983. Therefore, CACD recommends that <u>proceeding</u> with the ENvestSCE pilot be found consistent with the Commission's mandate and state and federal policies expressed in Chapter 984 of the Statutes of 1983 and subsection 111(c) of the Public Utility Regulatory Policy Act of 1978 (PURPA), 16, U.S.C. Section 2621.[4]

11. Although CACD agrees that the use of third party participants in the DSM market is likely to expand under this program, CACD has serious concerns that the role Edison has established for itself provides it with considerable market power given its access to customer information, ratepayer funding, and the existing marketing infrastructure. Other

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4 This recommendation does not make any finding regarding consistency of the pilot itself as discussed below.

companies have no ready access to customer information and would be required to pay for access. As an example, CACD shares NAESCO's concern that the pilot not be permitted to expand through staff size to take on the characteristics of an ESCO. While Edison has committed to provide a report on the use of ratepayer funds within 120 days of the end of the pilot, the report will not address the impact of the ENvestSCE pilot on the competitive market. Because these impacts are so uncertain (both positive and negative), CACD recommends that these impacts be evaluated before the Commission considers whether or not to either continue the pilot program or adopt full implementation of some form of ENvestSCE. The results of this evaluation should precede any findings regarding consistency of the ENvestSCE pilot with Chapter 984 of the Statutes of 1983 or subsection 111(c) of PURPA.

12. Because the competitive impacts evaluation will affect any movement to full implementation, CACD recommends that the evaluation occur independently from Edison's portfolio level report. CACD recommends as a model, the Commission's evaluation of shareholder incentives which was overseen by CACD with funding provided by the utilities. Because the ENvestSCE pilot benefits both shareholders and ratepayers, CACD recommends that the shareholders and ratepayers also share in the cost of evaluating the competitive impacts of the pilot. Based on Edison's intent to limit ratepayer expenditures to a maximum of 20% of solution costs, a logical allocation of evaluation costs is 20% to ratepayers and 80% to shareholders. Such an evaluation, at a minimum, should include findings regarding the consistency of the ENvestSCE pilot with the policies expressed in Chapter 984 of the Statutes of 1983. This evaluation will also provide important information to allow the Commission to make an informed decision regarding the appropriateness of moving to full implementation of some form of ENvestSCE in the future.[5] This evaluation, in conjunction with the reasonableness review, should serve to mitigate the concerns raised by Transphase, Parke, and TURN that ENvestSCE will negatively impact development of a competitive market for energy efficiency products and services.

13. Edison should operate the pilot in a manner which does not impinge on the development of a competitive market. This includes informing potential program participants that Edison is not the sole provider of these types of services; in other words, customers should be able to make an informed choice. In

5 CACD notes that Edison has not defined "success" of the ENvestSCE pilot. In addition, CACD believes that success of the pilot does not necessarily mean that full implementation would be warranted (for example, success may mean the market is transformed and there is no longer need for ratepayer investment in DSM). CACD recommends this issue be addressed in any future request to move to full implementation.

addition, Edison's operation of ENvestSCE should not impact the ability of any winning bidder in Edison's DSM bidding pilots to perform under its contract. CACD recommends that these issues be subject to evaluation and taken into consideration in the determination of reasonableness.

14. CACD is also concerned that Edison has not adequately described how it will determine "qualified" third party providers of energy efficiency services. The lack of detail about how ENvestSCE will interact with the private market is another reason CACD does not recommend approval, at this time, of Edison's requested findings regarding the consistency of the pilot with the development of a competitive energy efficiency industry. CACD is pleased to see that NAESCO has apparently agreed to participate in designing eligibility criteria for this pilot. CACD agrees with Parke that, in developing these criteria, Edison could alleviate some of the perceived risk associated with energy efficiency projects. Edison should develop qualification criteria consistent with the Commission's Women, Minority, Disabled Veteran Owned Business Enterprises guidelines. CACD expects that the criteria developed for third party qualification will be consistent with Chapter 984 of the Statutes of 1983. CACD recommends that the competitive impacts evaluation further explore this issue.

15. In its Advice Letter, Edison has requested the ability to file an Advice Letter for authority to move from the pilot to full implementation of ENvestSCE. Because of the considerable concerns CACD has over using the Advice Letter forum for approval of the pilot program, CACD recommends that Edison be required to file an application to request authority to move to full implementation of some form of ENvestSCE as TURN requests. In addition, CACD recommends that no funding for full implementation of ENvestSCE be authorized until the pilot has been thoroughly analyzed and evaluated. CACD recommends that Edison make its funding request in the same application as its request to move to full implementation. CACD recommends that the competitive impacts evaluation be submitted by June 1, 1996, for consideration in any request to move to full implementation.[6]

16. SoCal has protested Edison's Advice Filing because of its

6 CACD notes that this timing may require that Edison not sign any new ENvestSCE customer contracts between the end of the pilot period and Commission review of any application for full implementation. Edison must still fulfill obligations it holds under contracts signed during the pilot period.

concern about fuel substitution impacts.[7] Edison has stated that the program is designed to be fuel neutral and that any fuel substitution measures must pass the three-prong test adopted in D.92-10-020 and D.92-12-050. It appears that SoCal's protest is intended to highlight its concern that ENvestSCE solutions not preclude gas measures. CACD does not believe that the program description precludes gas measures from being part of the ENvestSCE solutions. CACD encourages Edison, ESCOs, and the third party vendor network to provide participating customers with full information regarding potential solutions in a fuel neutral manner. The fuel neutrality of the ENvestSCE solution packages should be considered in the Commission's reasonableness review. Edison should attempt to coordinate with SoCal regarding the potential for gas savings at customer sites.[8] Any fuel substitution measures must pass the three-prong test as well as other applicable cost-effectiveness tests. CACD agrees with DRA that Edison must file an Advice Letter specifying measurement and evaluation protocols for fuel substitution measures before pursuing such measures under the ENvestSCE pilot. CACD believes these clarifications adequately address SoCal's protest and therefore, the protest should be denied.

17. Guidelines governing shifting of funds among DSM programs are intended to ensure that the fund-shifting does not result in lost opportunities or an inequitable distribution of DSM resources across the utility's service area. Under the guidelines adopted by D.91-12-076, interpreted with the terminology clarifications found reasonable in Resolution E-3288, Edison is afforded flexibility to move up to $2.5 million, cumulative over the GRC cycle, within program areas without obtaining Commission approval. Edison is required to file an Advice Letter with the Commission in order to move funds between program areas and to move more than cumulative $2.5 million within program areas. Any shifting of funds among program areas must be accompanied by an Advice Letter, and shifting of funds into or among fuel-substitution, load building or load retention programs is prohibited.

FINDINGS

1. Edison filed Advice Letter 1011-E on July 30, 1993 to request Commission authorization to engage in the ENvestSCE pilot.

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7 SoCal states that it believed it had reached an understanding with Edison on the protested issues prior to the protest deadline. Subsequent clarification indicated that there was not agreement on two points. SoCal indicates that this is the reason it has submitted a late-filed protest.

8 CACD recommends that joint sponsorship, by Edison and SoCal, of ENvestSCE type programs, be evaluated.

2. Edison's proposed use of carry over DSM funds is intended to improve the utility's ability to capture demand-side resources in its service territory.

3. This request can be addressed through a Commission Resolution because of its pilot nature.

4. Any future request to move to full implementation of this program should be made through an application.

5. Due to the unique nature of the use of ratepayer and shareholder funds in this pilot, all ratepayer funds used for ENvestSCE program activities shall be subject to Commission review of reasonableness for management prudence in light of the circumstances that existed at the time decisions were made. A Commission finding of imprudence, a violation of program conditions or guidelines, or other misuse of ratepayer funds in the ENvestSCE program could lead to discontinuance of the program, disallowance, and/or penalty.

6. Thorough analysis and evaluation of the use of ratepayer funds and the competitive impacts of the program is essential before moving to full implementation of the ENvestSCE program.

7. Proceeding with the ENvestSCE pilot is consistent with the Commission's mandate and state and federal policies expressed in Chapter 984 of the Statutes of 1983 and subsection 111(c) of PURPA.

8. An independent evaluation of the competitive impacts is important. Such an evaluation, at a minimum, should include findings regarding the consistency of the ENvestSCE pilot with the policies expressed in Chapter 984 of the Statutes of 1983.

9. The program description in Attachment A to Advice Letter 1011-E, not specifically referred to above, is acknowledged.

THEREFORE, IT IS ORDERED that:

1. Southern California Edison Company is authorized to engage in the acquisition, lease, sale, and disposition of energy conservation assets in connection with the ENvestSCE pilot though December 31, 1995 as described in Advice Letter 1010-E, its Attachments, subsequent letters of clarification, and clarified herein.

2. Southern California Edison Company is authorized to reallocate $15 million in 1992 carry over demand-side management funds (consistent with Resolution E-3336) to the ENvestSCE pilot.

3. Southern California Edison Company is authorized to redirect $1 million in 1993 demand-side management funds to ENvestSCE program administration.

4. Advice Letter 1011-E and the accompanying tariff sheets shall be marked to show that they were approved by Commission Resolution E-3337.

5. Southern California Edison Company shall file its portfolio level report on the ENvestSCE pilot within 120 days of the end of the pilot.

6. The Commission Advisory and Compliance Division (or its consultant) shall conduct an evaluation of the competitive impacts of this pilot by June 1, 1996, with evaluation costs funded 20% by Southern California Edison Company ratepayers and 80% by shareholders.

7. Southern California Edison Company shall file any request for full implementation (including its funding request) of the ENvestSCE program as an application.

8. Southern California Edison Company's requested findings of reasonableness are denied without prejudice, pending reasonableness review.

9. Southern California Edison Company shall operate the ENvestSCE pilot in a manner consistent with the development of an energy efficiency industry that is competitive and free from utility dominance, which enables customers to make informed choices, and does not impact the ability of any winning bidder in Southern California Edison Company's demand-side management bidding pilot to perform under its contract.

10. Southern California Edison Company's requested findings regarding the consistency of this pilot with policies expressed in Chapter 984 of the Statutes of 1983 and subsection 111(c) of the Public Utility Regulatory Policies Act of 1978 are denied without prejudice, pending the California Public Utilities Commission's review of the Commission Advisory and Compliance Division's competitive impacts evaluation.

11. If Southern California Edison Company opts to pursue fuel substitution measures under the ENvestSCE pilot, then it shall file an Advice Letter specifying measurement and evaluation protocols for fuel substitution measures before pursuing any such measures.

12. The protests of Transphase System Inc., Parke Industries Inc., and Southern California Gas Company are denied in full. Toward Utility Rate Normalization's protest regarding the need for Southern California Edison Company to file an application for full implementation of ENvestSCE is granted, but all other aspects of its protest are denied.

13. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities commission at its regular meeting on October 6, 1993. The following Commissioners approved it:

NEAL J. SHULMAN
Executive Director

DANIEL Wm. FESSLER
President
PATRICIA M. ECKERT
NORMAN D. SHUMWAY
P. GREGORY CONLON
Commissioners

Commissioner Jessie J. Knight, Jr. present but not participating.