

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy Branch

RESOLUTION E-3384  
May 25, 1994

R E S O L U T I O N

RESOLUTION E-3384. PACIFIC GAS AND ELECTRIC COMPANY SUBMITS REVISED PERFORMANCE GOALS FOR ITS 1994 DEMAND-SIDE MANAGEMENT PERFORMANCE ADDER PROGRAMS, AND REQUESTS AUTHORIZATION TO SHIFT DEMAND-SIDE MANAGEMENT FUNDS.

BY ADVICE LETTER NO. 1849-G/1471-E filed April 22, 1994.

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SUMMARY

1. In this advice letter Pacific Gas and Electric Company (PG&E) submits revised performance goals for its 1994 Demand-Side Management (DSM) programs and seeks authorization to shift up to \$4 million from the non-mandatory to the mandatory component of the Direct Assistance Program (DAP) in 1995.
2. This resolution authorizes the movement of DSM funds as requested by the utility and approves the performance goals set forth in the advice letter.

BACKGROUND

1. Pursuant to Section 2790 of the Public Utilities Code, PG&E conducts a Direct Assistance Program which provides free weatherization services, energy education, and efficient appliances to low-income ratepayers who would otherwise be unable to participate in the benefits of PG&E's energy efficiency programs.
2. PG&E's 1993 General Rate Case (GRC) decision, D.92-12-057, established guidelines governing shifting of PG&E's DSM funds. The adopted fund-shifting guidelines permit movement of funds into or out of the non-mandatory component, but not the mandatory component of the DAP.
3. In its 1993 GRC, PG&E proposed a DAP program that involved fewer homes than in past years, but used a more expensive diagnostic technology that would allow for more comprehensive weatherization. D.92-12-057 adopted the recommended funding level for the DAP program. Since the issue of the GRC decision, PG&E has determined that it will no longer pursue the planned diagnostic technology and, as a result, the anticipated weatherization cost per home has dropped significantly. In consultation with its Customer Energy Efficiency (CEE) Advisory Committee, PG&E has determined that changed circumstances

warrant increasing its DAP program goal by 6,000 homes in 1994. PG&E has the authority to carry forward funds from 1995 to meet this increased 1994 goal. This shift will not allow sufficient funding for the 1995 program, therefore, PG&E is seeking authorization to shift up to \$4 million from the non-mandatory component to the mandatory component in 1995.

4. PG&E's request would move funds from the non-mandatory component of the DAP program which currently receives performance adder treatment, into the mandatory component which receives expense treatment. Thus, this funding shift will not enhance PG&E's potential to earn shareholder incentives.

5. As a result of its increased goals and spending change for the 1994 program year, PG&E has updated its performance goals and expected earnings associated with the DAP program.

6. On April 22, 1994, PG&E filed Advice Letter 1849-G/1471-E to provide updated information for its 1994 performance adder programs and seek authorization for proposed movements of DSM funds.

#### NOTICE

The Advice Letter was noticed in accordance with section III of General Order 96-A by publication in the Commission Calendar and distribution to PG&E's advice filing service list.

#### PROTESTS

No protests have been received by the Commission Advisory and Compliance Division (CACD) for this Advice Letter filing.

#### DISCUSSION

1. The shifting of DSM funds proposed by PG&E is responsive to changed circumstances in the planned operation of the DAP program and CEE Advisory Committee input. Overall, the proposed fund-shifting is intended to improve PG&E's ability to improve energy efficiency in the low-income community. CACD recommends approval of PG&E's requested fund-shifting for 1995.

2. The modified performance goals for this program (and incentive target forecasts) submitted with this Advice Letter were developed in conjunction with the CEE Advisory Committee in response to changed program implementation plans. CACD recommends that the targets set forth in Advice Letter 1849-G/1471-E be adopted for the remainder of program year 1994.

#### FINDINGS

1. PG&E filed Advice Letter 1849-G/1471-E on April 22, 1994 to request Commission authorization to shift DSM funds in 1995 and adoption of modified performance goals for 1994 DSM programs receiving performance adder treatment.

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2. PG&E's proposed shifts of DSM funds are intended to improve the utility's ability to capture demand-side resources in its service territory. The requested movement of DSM funds should be authorized.

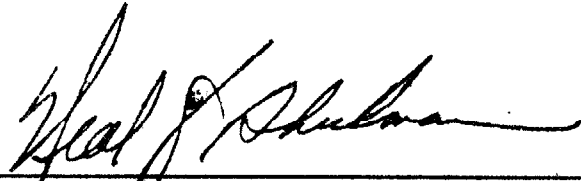
3. PG&E's modified goals for performance adder programs should be adopted by the Commission for the remainder of program year 1994.

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**THEREFORE, IT IS ORDERED that:**

1. Pacific Gas and Electric Company is authorized to shift demand-side management funds as proposed in Advice Letter 1849-G/1471-E.
2. Pacific Gas and Electric Company's 1994 goals for performance adder programs, set forth in Attachments 1 and 2 to Advice Letter 1849-G/1471-E, are adopted.
3. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities commission at its regular meeting on May 25, 1994. The following Commissioners approved it:



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NEAL J. SHULMAN  
Executive Director

DANIEL Wm. FESSLER  
President  
PATRICIA M. ECKERT  
NORMAN D. SHUMWAY  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
Commissioners