

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

Application of Southern California Edison Company (U 338-E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
Application of San Diego Gas & Electric Company (U 902-M) to adopt Energy Efficiency Rolling Portfolio Business Plan Pursuant to Decision 16-08-012.	Application 17-01-014 (Filed January 17, 2017)
Application of Pacific Gas and Electric Company for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget (U 39-M).	Application 17-01-015 (Filed January 17, 2017)
Application of Southern California Gas Company (U 904-G) for adoption of its Energy Efficiency Rolling Portfolio Business Plan and related relief.	Application 17-01-016 (Filed January 17, 2017)
In the matter of the Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan.	Application 17-01-017 (Filed January 17, 2017)

**NATIONAL ASSOCIATION OF ENERGY SERVICE COMPANIES
RESPONSE TO MOTION OF PACIFIC GAS AND ELECTRIC
COMPANY (U 39-M) FOR LEAVE TO AMEND ITS APPLICATION
FOR APPROVAL OF ITS 2018-2025 ROLLING PORTFOLIO
ENERGY EFFICIENCY BUSINESS PLAN AND BUDGET**

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I. INTRODUCTION

Pursuant to Commission's Rules of Practices and Procedure, Rule 11.1, The National Association of Energy Service Companies files this response to the Motion of Pacific Gas and Electric Company For Leave To Amend Its Application For Approval Of Its 2018 -2025 Rolling Portfolio Energy Efficiency Business Plan And Budget, filed July 3, 2017 (Motion) and the Joint Response of SCG, SCE and SDG&E to the PG&E Motion, filed July 11, 2017.

II. SUMMARY

NAESCO urges the Commission to reject PG&E's Motion because the Motion:

- Fails to comply with the CAEECC process for statewide programs established by the Commission in D.16-08-019 and does not allow for stakeholder input;
- Gives no reason for PG&E's dropping its proposed Indoor Agricultural Pilot and inadequate justification for a new Downstream Foodservice Rebate Program administered by SoCal Gas; and,
- Raises substantive program and budget issues, which parties have not had an opportunity to address.

III. DISCUSSION

PG&E and the other energy efficiency Program Administrators (PAs) filed their Applications in this proceeding on January 15, 2017. Since then, in response to an Assigned Commissioner and Administrative Law Judges' ruling, they have twice provided additional information. Prior to, and after, the PAs filed their Applications, stakeholders have participated in many California Energy Efficiency Coordinating Committee (CAEECC) meetings. The CAEECC, and its various subcommittees, was established by the Commission in D.15-10-028. According to the CAEECC website: "This forum [i.e., the CAEECC] is the venue by which stakeholders can provide input into the development of the Program Administrators' energy efficiency Business Plans, Implementation Plans, and related matters that are central to Energy Efficiency portfolios approved by the CPUC." The various CAEECC meetings have required thousands of hours of stakeholders' time. NAESCO and its members have been participants in many of the CAEECC meetings. **As** the CAEECC is the appropriate and designated forum for consideration of these applications and plans, the PAs are circumventing the established review and discussion process by which all stakeholders can provide input.

Ignores the Collaborative Process for Establishing Statewide Leads

One of the new elements in the Investor Owned Utility (IOU) Applications is the requirement established in D.16-08-019 that the IOUs lead statewide programs, with an IOU designated as the lead for each program. According to D.16-08-019, the CAEECC was to be an important part of the process in determining statewide leads among the IOUs:

"Rather, we will require that for each of the designated statewide programs (identified and discussed in further detail in the sections below), that the business plans brought forward by the program administrators designate the single lead administrator for each. This can be worked out in the discussions already occurring as part of the CAEECC process. (D.16-08-019, p. 54) And, "As with the upstream and midstream programs, the program administrators, after discussion in the CAEECC, shall propose a lead [downstream] program administrator and other program details, in their business plans." (D.16-08-019, p.65)

On July 3, six months after the Application filing dates, after months of CAEECC subcommittee and committee meetings, after the comment and reply comment periods establish by the ALJs in their Ruling of June 9 had passed, and with no opportunity for input from the CAEECC or from stakeholders, PG&E 's Motion asks the Commission to (1) remove the Indoor Agriculture Program pilot from its Business Plan; (2) create a newly designed pilot, the statewide Downstream Foodservice Rebate Program, in its place, and (3) make Southern California Gas Company (SoCalGas) the IOU statewide lead for this new pilot. PG&E, and the other IOUs, are again ignoring clear Commission direction given in D.16-08-109) (See NAESCO Comments of June 22, pages 4 - 7, and ORA Reply Comments of June 29, pages 2 - 7).

Considered in isolation, the PG&E Motion might be excused as a quiet attempt to drop a program that many consider controversial. But this isn't an isolated incident. The PAs have established a documented record in this proceeding of continually ignoring the explicit Commission direction in D.16-08-019 on stakeholder collaboration. In its Motion, PG&E provides almost no justification for its proposed amendment. This lack of justification has characterized the PAs' failure to work with stakeholders in the collaborative process that the Commission established. PG&E gives no reason whatsoever for why it is dropping its proposed Indoor Agriculture Pilot, even though for months the program was part of its portfolio. Many parties spent a great deal of time at CAEECC subcommittee and committee meetings on this and other statewide proposals, and invested time in PG&E-led discussions

on the Indoor Agricultural Pilot, including a webinar open to the public. NAESCO is not aware of any party's objection to this program.

Provides No Opportunity for Stakeholder Review and Comment

Furthermore, PG&E, with the support of other PAs, (see Joint Parties Response of July 11, 2017), provides no opportunity for CAEECC review, input, and comment, and no opportunity for stakeholder input except through the discovery process (Joint Response at 2). NAESCO has commented elsewhere on how the opaque process that the IOUs have used to determine their proposed statewide leads frustrates the collaborative process. (See NAESCO Comments of June 22, page 10 and page 12.) With this last minute, out-of-the-blue Motion, PG&E has, in effect, doubled down on their previous opacity and appears to tell the other stakeholders, in effect, "See you in court."

The Commission should reject this attempt to end run the collaborative process it established for the next generation of energy efficiency programs and deny PG&E's Motion, because the Motion raises a number of issues that should have been addressed in the CAEECC process:

- Why is a downstream stream foodservice rebate pilot a better use of ratepayers' money than the Indoor Agriculture Pilot?
- Even if a good reason were given for dropping the Indoor Agriculture Pilot, what are the other candidates for a statewide downstream program and which PAs are candidates to lead these programs?
- Why is SoCal Gas the proposed lead for the new pilot? (Not being a lead on any other downstream program is not a meaningful justification.)
- Since the proposed downstream pilot will involve both gas and electric measures, shouldn't a dual fuel utility be the lead?
- How will the proposed downstream program work with the already proposed midstream program? How will the administrator avoid "double dipping"? Would ratepayers be better off with simply an expanded midstream program?

Calls into Question PG&E's Portfolio Administration

Besides failing to address the above questions, PG&E's Motion also raises new questions about the reasonableness of its energy efficiency Application. Even though PG&E proposes to drop a proposed statewide program from its portfolio, it makes no changes to its filed portfolio administrative budget, goals, or TRC. So it appears that either PG&E overestimated its original administrative budget, or is planning to charge ratepayers for services that it now proposes to eliminate. Though the dollar amounts at stake may seem small, NAESCO believes that the Commission should make it clear to the PAs that adjustments in their portfolios require corresponding and simultaneous adjustments in their administrative budgets and staffing, EE goals, and TRC scores.

IV. CONCLUSION

NAESCO objects to PG&E's Motion, because we believe that the Motion:

- Fails to comply with the CAEECC process for statewide programs established by the Commission in D.16-08-019 and does not allow for stakeholder input;
- Gives no reason for PG&E's dropping its proposed Indoor Agricultural Pilot and inadequate justification for a new Downstream Foodservice Rebate Program administered by SoCal Gas; and,
- Raises substantive program and budget issues arising from the proposed changes, which parties have not had an opportunity to address.

Therefore, NAESCO urges the Commission to reject PG&E's Motion, and allow parties the opportunity to provide the Commission with well-reasoned and substantiated alternatives in evidentiary hearings, the schedule for which was provided by ALJs Fitch and Kao on June 9.

Respectfully submitted by,



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