

## PUBLIC UTILITIES COMMISSION

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Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
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December 21, 2020

Dear Mr. Jacobson,

Energy Division rejects Pacific Gas and Electric Company's (PG&E) Annual Budget Advice Letter 4303-G/5936-E and 4303-G-A/5936-E-A, pursuant to the Annual Budget Advice Letter (ABAL) review criteria laid out in California Public Utilities Commission (CPUC) Decision (D.) 18-05-041, which addressed the energy efficiency business plans, but for reasons explained herein, we approve PG&E's budget request of \$237,967,635 for 2021, effective January 1, 2021.

PG&E's ABAL is rejected because, although PG&E's forecast meets energy savings goals, it has failed to submit a cost-effective 2021 portfolio of energy efficiency programs. However, the Assigned Commissioner and Administrative Law Judges' Amended Scoping Ruling Addressing Impacts of COVID-19 (July Ruling) acknowledged that program administrators (PA) face a significantly changed landscape in 2020 and asked PA to include "accurate and good faith estimates of energy efficiency costs and benefits, as well as budgets, that are necessary to address the current goals and strategies" in their respective program year 2021 ABAL.

The July Ruling also stated that "the 2021 and 2022 ABALs will serve a narrower purpose, to notify the Commission and stakeholders of the budget and cost recovery requests and expenditures that each PA forecasts for 2021 and 2022...and be reviewed or approved or modified by Commission staff disposition or resolution, whether or not they meet all of the criteria laid originally laid out in D. 18-05-041."<sup>1</sup> This narrower purpose allows for energy efficiency program activity to continue in advance of and throughout the new business plan applications to be filed by all PA in September 2021, as called for in the July Ruling.<sup>2</sup>

Consequently, consistent with the approach taken in D. 19-08-034, which granted staff the authority to approve annual budgets for energy efficiency PAs which are aligned with the new energy savings goals even in the event that a PA ABAL is rejected, we rely here on the July Ruling to approve PG&E's spending budget and cost recovery request.

Accordingly, PG&E's spending budget request of \$237,967,635

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<sup>1</sup> See Ruling, p. 9, at <https://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M342/K189/342189331.PDF>

<sup>2</sup> Ibid.

for 2021 to administer energy efficiency programs, effective January 1, 2021, is approved.<sup>3</sup> As proposed by PG&E, this budget, though not cost-effective, is aligned with and meets the energy savings goals adopted in D.19-08-034 for program year 2021 and represents the “good faith” effort envisioned by the CPUC in the July Ruling.<sup>4</sup>

Lastly, on September 30, 2020, the Governor signed AB 841, authorizing energy efficiency portfolio funding for the Schools Energy Efficiency Stimulus Program (SEESP) beginning in year 2021. Subsequently, on October 7, 2020, the CPUC issued a ruling in Rulemaking 13-11-005 seeking comments on the budget for the SEESP, indicating that the CPUC will decide through the formal proceeding AB 841 related budget issues. Given this, Energy Division will not delay authorization of the 2021 ABALs while the CPUC determines additional guidance on the SEESP budget pursuant to AB 841.

## 1. Background

On September 1, 2020, PG&E filed its Annual Budget Advice Letter (ABAL) 4303-G/5936-E. On October 1, 2020, the Public Advocates Office at the California Public Utilities Commission (Cal Advocates) and the Small Business Utility Advocates (SBUA) each filed their respective protests of PG&E’s ABAL 4303-G/5936-E, while the California Efficiency and Demand Management Council (Council) filed its response. On October 8, 2020, PG&E filed its response to the Council’s response to, and Cal Advocates and SBUA protests of, ABAL 4303-G/5936-E. On December 8, 2020, PG&E filed supplemental ABAL 4303-G-A/5936-E-A, replacing 4303-G/5936-E in its entirety.<sup>5</sup>

## 2. Cal Advocates Protest and PG&E Reply Comments

Cal Advocates’ protest included three items directed at PG&E’s 2021 ABAL that asked the CPUC to:<sup>6</sup>

- Reject PG&E’s ABAL because it does not meet the criteria for approval identified in Decision (D.)18-05-041 and require supplemental ABALs;
- Mandate that all PAs improve cost-effectiveness and reduce risk in their portfolios to respond to COVID-19-related uncertainties, including:
  - Requiring PAs to reduce spending on sectors with low cost-effectiveness; and
  - Requiring PAs to reallocate this spending to the residential sector;

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<sup>3</sup> PG&E’s total proposed spending budget for 2021 is \$237,967,635. The authorized total PA budget recovery request [PG&E + Community Choice Aggregators(CCA) + Regional Energy Networks(REN)] is \$263,244,857. Additionally, PGE’s supplemental Advice Letter reflects PG&E’s decision to reserve PY2020 unspent uncommitted funds for AB841 programmatic activity. Consequently, PG&E’s budget recovery request is not reduced by the carryover of those funds, as was done in prior program years via the ABAL process.

<sup>4</sup> See July Ruling, p. 9

<sup>5</sup> PG&E filed supplemental ABAL 4303-G-A/5936-E-A on December 8, 2020, in which it: updated Statewide (SW) forecasts for certain programs based on lead IOUs’ supplemental 2021 ABAL; updated local program forecasts based on SW adjustments; updated savings for water heater measures based on DEER updates; made minor budget adjustments based on SW program changes; revised 2021 ESPI award to “0” in accordance with D. 20-11-013; excluded 2020 unspent/uncommitted funds; updated PG&E and REN/CCA EM&V amounts; corrected a discrepancy between PG&E Agricultural budget as filed on CEDARS and in the advice letter. PG&E’s supplemental ABAL was still not cost-effective, with a forecast TRC of 0.92. The supplemental advice letter was filed without a protest period, per Energy Division guidance.

<sup>6</sup> See *The Public Advocates Office’s Protest of Energy Efficiency Annual Budget Advice Letters for Program Year 2021* (Cal Advocates Protest), September 1, 2020, p. 2.

- Require PAs to standardize their accounting and reporting practices for unspent, uncommitted funds.

## 2.1. Failure to Meet Approval Criteria Identified in D. 18-05-041

In its protest filed October 1, 2020, Cal Advocates argued that D. 18-05-041 established criteria for the review and approval of a PA ABAL. Specifically, D. 18-05-041 states that a PA ABAL must meet energy savings goals, be cost-effective and propose a budget that is at or under the authorized amount for the program year. In this instance, PG&E does not forecast a program year 2021 portfolio that is cost-effective. Consequently, Cal Advocates stated that the CPUC must reject PG&E's ABAL 4303-G/5936-E and asked the CPUC to require PG&E to file a supplemental ABAL that meets the requirements set forth in D. 18-05-041.<sup>7</sup>

In its reply, PG&E acknowledged that its 2021 portfolio forecasted TRC of 0.89<sup>8</sup> does not meet the minimum threshold TRC of 1.0 required for ABAL approval per D.18-05-041, and argued that the July Ruling nevertheless allows CPUC staff to approve a PA budget and savings forecast “even if they do not meet the requirements of D. 18-05-041.”<sup>9</sup> PG&E also stated that its forecast is realistic and that cost-effectiveness cannot be reasonably improved during the third-party transition period while also meeting customer needs attendant to the COVID-19 pandemic. Consequently, PG&E argued that it should not be required to file a supplemental ABAL that meets the criteria laid out in D. 18-05-041.

### Discussion

The ABAL review criteria laid out in D. 18-05-041 requires a PA ABAL to meet energy savings goals, be cost-effective and propose a budget that is at or under the authorized budget cap for the program year. PG&E's 2021 ABAL, as filed, is not cost-effective on a benefit/cost ratio as measured by the Total Resource Cost (TRC) test. Specifically, PG&E's 2021 ABAL had a TRC of 0.89 (excluding savings from Codes and Standards programs)<sup>10</sup> which is below the 1.0 TRC threshold required by D. 18-05-041.

However, the CPUC's July Ruling provided guidance for Energy Division staff review of PAs' 2021 ABALs. The guidance allows budget recovery requests to be approved “whether or not they meet all of the criteria originally laid out in D. 18-05-041.”<sup>11</sup> The CPUC also recognized the challenges that affect and diminish portfolio cost-effectiveness, which were initially acknowledged in D. 18-05-041, as well as the uncertainty attendant to the third-party transition process, all of which are affected by the economic challenges caused by the COVID-19 pandemic. Consequently, in the interest of sustaining energy efficiency program funding and continued program operations through 2022, as noted in the July Ruling, PG&E does not need to file a supplemental ABAL that meets all

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<sup>7</sup> See Cal Advocates Protest, p. 3

<sup>8</sup> In PG&E AL 4303-G-A/5936-E-A, filed December 8, 2020, PG&E's forecast 2021 TRC is estimated at 0.92

<sup>9</sup> See Pacific Gas and Electric Company's Reply to Protests from the Public Advocates Office, the California Efficiency + Demand Council, and the Small Business Utility Advocates regarding Advice Letter 4303- G/5936-E (PG&E's 2021 Energy Efficiency Annual Budget Advice Letter in Compliance with Decisions 15-10-028 and 18-05-041) (PG&E Reply), page 3.

<sup>10</sup> At this time CPUC policy requires portfolio cost-effectiveness to be measured in the absence of savings from Codes and Standards programs, regardless of their magnitude as a percentage of total portfolio savings.

<sup>11</sup> See Ruling, p. 9.

ABAL review criteria laid out in D. 18-05-041 and PG&E's spending budget request for program year 2021 is approved.

## 2.2. COVID-19 Impacts

In its protest, Cal Advocates argued that the COVID-19 pandemic requires:

- robust portfolios with minimal risks, and
- the CPUC to have all PAs modify their respective portfolios to improve cost-effectiveness by reducing spending on sectors with low cost-effectiveness and allocating more resources to the residential sector.<sup>12</sup>

Cal Advocates' protest argued that the economic hardship created by COVID-19 for California ratepayers has led to a significant increase in residential energy consumption and that the PAs and CPUC should ensure portfolio cost-effectiveness and maximize benefits for every dollar spent to ensure more customers realize energy savings and lower bills. Cal Advocates' protest also stated that the July Ruling "should not be interpreted as an invitation for leniency in meeting cost-effectiveness requirements."<sup>13</sup> Lastly, the protest stated that the CPUC should protect ratepayers by requiring modifications to create more robust energy efficiency portfolios and minimize the risk of underperformance during uncertain times and ratepayer funds being wasted on programs that deliver few benefits.<sup>14</sup>

To that end, Cal Advocates' protest highlighted PG&E's sector-level budgets<sup>15</sup> for 2021, noting that approximately \$55.8 million (out of a total \$195 million) is allocated to non-cost-effective programs (TRC < 1.0). Cal Advocates also emphasized the need to reduce the substantial risk of portfolio underperformance and protect ratepayer funds and asked the CPUC to require PG&E (and all PAs) to reduce spending on non-cost-effective sectors and programs.<sup>16</sup> In order to achieve those ends, Cal Advocates recommended that PG&E reduce agriculture, industrial, commercial and public sector budgets by 38 percent, 8 percent, 9 percent, and 42 percent, respectively, and reallocate those funds (approximately \$19.7 million) to the residential sector.<sup>17</sup>

In its reply, PG&E stated that its 2021 forecast considers the needs of its customers and supports residential customer needs vis a vis COVID-19. PG&E also stated that its 2021 portfolio must serve residential and non-residential customers alike, both of whom will benefit through continuation of certain existing programs while new local and statewide programs begin, and cites a lack of evidence in support of Cal Advocates' claim that residential customers require more support than non-residential customers.<sup>18</sup> PG&E will also monitor residential sector performance and reallocate funds as needed, and expects the third-party solicitation to result in new programs that will complement and support existing efforts. Lastly, PG&E argued that budget allocations for non-

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<sup>12</sup> See Cal Advocates Protest, pp. 6-7.

<sup>13</sup> Ibid.

<sup>14</sup> Ibid.

<sup>15</sup> See Cal Advocates Protest, Table 2, p. 7. (Sectors include Agriculture, Industrial, Commercial, Cross-cutting, Residential, and Public.)

<sup>16</sup> See Cal Advocates Protest, p. 9.

<sup>17</sup> See Table 6, Cal Advocates Protest, p. 10.

<sup>18</sup> See PG&E Reply, p. 4.

cost-effective programs in large part support a successful transition process to new third-party programs and facilitate continued COVID-19 customer support.<sup>19</sup>

## Discussion

In its July Ruling, the CPUC acknowledged that PAs face a significantly changed landscape due to COVID-19 and asked PAs to include “accurate and good faith estimates of energy efficiency costs and benefits, as well as budgets, that are necessary to address the current goals and strategies” in their respective program year 2021 ABALs. The CPUC also recognized the challenges that affect and diminish portfolio cost-effectiveness, including “how to define cost-effectiveness requirements, and how they should be applied in the setting of potential and goals and budget approval,” as well as the uncertainty attendant to the third-party transition process, all of which are affected by the economic challenges caused by the COVID-19 pandemic.

Furthermore, the Energy Division recognizes that, in PG&E’s role as a PA and manager of its respective portfolio, PG&E’s 2021 residential sector budget of approximately \$50 million is suitable and designed to address the needs of customers at this time. PG&E’s 2021 residential sector budget is 26 percent of PG&E’s total 2021 portfolio budget (excluding Codes and Standards). The \$11 million decrease from 2020 is reflected primarily in PG&E’s portfolio management decisions, including the decision to close three non-cost-effective residential programs with an aggregate 2020 budget of \$12 million, to create space for new third-party programs.<sup>20</sup>

Additionally, PG&E increased the aggregate budget of a suite of existing residential programs by approximately 157 percent.<sup>21</sup> While Cal Advocates argues that the CPUC should require PG&E to reallocate certain non-cost-effective sector-level budgets to the residential sector, PG&E is the entity best suited to develop a “good faith” 2021 portfolio forecast that addresses competing needs of cost effectiveness requirements and customers and sectors as they are affected by these ongoing challenges.

Consequently, PG&E is not required to file a supplemental ABAL that reallocates budgets from non-residential sectors to the residential sector and PG&E’s 2021 ABAL is approved as filed in supplemental 4303-G-A/5936-E-A.

Finally, as stated in D. 18-05-041, PG&E must host a stakeholder workshop “...to explain why it failed to meet the approval criteria.” In this workshop, PG&E shall share its budget development process with stakeholders, including an explanation of how it determines which programs receive specific funding amounts, portfolio cost-effectiveness estimates, and why programs with high TRC values did not receive additional budget to drive cost-effective savings. While not required by the decision, staff recommends that PG&E also provides in the workshop updates on its portfolio performance to date, as impacted by COVID-19, as well as an update on the third-party solicitation process.

### **2.3. Standardized Accounting For Unspent and Uncommitted Funds**

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<sup>19</sup> Ibid.

<sup>20</sup> See Attachment 2 “Program Level Changes Table”, in PG&E Advice Letter 4303-G/5936-E

<sup>21</sup> Ibid.

In its protest, Cal Advocates argued that the CPUC should require PG&E to file a supplemental ABAL to standardize accounting and reporting of unspent and uncommitted funds and use of ABAL templates. Cal Advocates pointed to two different estimates for PG&E's 2020 unspent and uncommitted funds - \$24 million in Table 3a of PG&E's ABAL Appendix and \$10 million in Table 9 of that same Appendix.

In its reply, PG&E stated that a supplemental filing is not necessary at this time, as its 2021 ABAL properly uses CPUC-issued table templates and each table includes notes that explain unspent and uncommitted funds as reported.<sup>22</sup> PG&E also stated that the apparent discrepancy between Table 3a and Table 9 is clarified in a note on Tab 7 of the Appendix. Specifically, the \$24 million in estimated 2020 unspent and uncommitted funds is comprised of \$10 million for PG&E and \$14,075,000 in estimated 2020 unspent and uncommitted funds for non-IOU PAs for which PG&E is responsible for actual recovery through rates.

## Discussion

In a review by Energy Division staff, the Appendix that accompanies PG&E's PY 2021 ABAL does provide an explanation that clarifies the apparent discrepancy between Table 3a and Table 9, as highlighted in Cal Advocates' protest. In the note that accompanies the table in Tab 7 of the Appendix, PG&E specified that the \$24 million in estimated 2020 unspent and uncommitted funds is comprised of \$10 million for PG&E and \$14,075,000 in estimated 2020 unspent and uncommitted funds for non-IOU PAs for which PG&E is responsible for actual recovery through rates.

Consequently, Energy Division finds that PG&E adhered to current accounting and reporting practices and CPUC-issued templates as they relate to unspent and uncommitted fund and PG&E is not required to file a supplemental ABAL.

### **3. The Council's Response**

The Council filed its response to PG&E ABAL 4303-G/5936-E on October 1, 2020. In its response, the Council highlighted its concerns regarding decreased energy efficiency portfolio budgets since 2017, noting a 36 percent decline from 2017 to 2021, which it finds troublesome in light of the COVID-19 impacts on California ratepayers. The Council's overarching comments recommend that the CPUC adhere to its interpretation of the July Ruling to enable the "broadest possible deployment of EE during this incredibly difficult time", and reform cost-effectiveness, in part, in order to do so.<sup>23</sup>

Additionally, the Council expressed concerns about the unclear nature of the IOU process for determining the forecasted cost-effectiveness (TRC) of third-party programs, claiming that it understands "that certain implementers have submitted forecasted project and measure mixes for their programs with program level TRCs above 1.0, but for which the IOUs are forecasting TRCs below 1.0." The Council also claimed that "the IOUs are not even providing the TRC forecast for programs they are terminating or making changes to," though this is a specific reference to Southern

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<sup>22</sup> See PG&E Reply, p. 5.

<sup>23</sup> See Response of California Efficiency + Demand Management Council (Council Response), October 1, 2020, p. 2.

California Edison (SCE). The Council asserted that if an implementer forecast is cost-effective, project applications should be allowed to continue, arguing that the process is non-transparent and prevents an accurate cost-effectiveness evaluation of current programs and the rationale behind proposed program closures.<sup>24</sup>

The Council's response also cited its worries regarding proposed program closures that are based on prior program performance, highlighting policy and process changes that affect project-level cost-effectiveness, including reduced Effective Useful Life (EUL) parameters. The Council argued that while in certain instances, these changes can be overcome, they often occur in the middle of an existing contract and reduce the cost-effectiveness of projects that have already incurred significant investments on the part of implementers and/or customers.

Lastly, the Council expressed its concerns over what it perceives as program gaps as the IOUs ramp down existing programs to make room for new programs developed via the ongoing third-party solicitation process. The Council believes this issue is compounded by COVID-19's effects on the portfolio at large, and asks the CPUC to:

- immediately allow existing programs to submit new cost-effective project applications, and
- allow all projects with forecasted PACs above 1.0 to be submitted by 3rd party implementers of any program set to shut down or ramp down since 2018.

The Council recommended that the IOU 2021 ABALs be "modified" to incorporate the Council's proposed changes.

PG&E did not respond to the Council's Response.

## Discussion

The Council's response is similar to concerns they expressed to the CPUC in a letter dated December 30, 2019. Specifically, that letter described the Council's concerns regarding program closures, the larger third-party solicitation process, and decreased portfolio budgets as reflected in the IOUs' 2020 ABALs. On February 4, 2020, Commissioner Lianne Randolph responded to the Council's letter noting that declining budgets do not indicate less ongoing investments in energy efficiency but, rather, "signal the success of prior energy efficiency investments that have led to increasing amounts of energy efficiency that will be achieved through the Codes and Standards established by the California Energy Commission."<sup>25</sup>

Commissioner Randolph reminded the Council that the most recent Potential and Goals Study, published in August 2019, reflected a one-third decrease in energy efficiency potential as compared to the 2017 study and that, although goals are lower, IOU program savings in combination with Codes and Standards savings are still supportive of the state energy and climate goals.

Further, the Commissioner's letter highlighted the IOUs' responsibility to consider portfolio design trade-offs in order to meet cost-effectiveness requirements, including the ability to close

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<sup>24</sup> See Council Response, p. 3.

<sup>25</sup> See CPUC Letter to California Efficiency + Demand Management Council, February 4, 2020, pp. 1-2.

underperforming programs as warranted, and described CPUC-IOU-stakeholder interactions to occur in 2020 regarding the ongoing third-party solicitation process, including actions specific to PG&E and SCE portfolio management, as well as custom projects review.

In a supplemental spreadsheet submitted as Attachment 2 to PG&E's 2021 ABAL, PG&E lists programs to be closed as of December 31, 2020, and replaced by either new third-party programs or statewide programs. In anticipation of this portfolio transition PG&E will close 21 programs. These programs have a combined 2020 budget of approximately \$39 million and preliminary 2020 claimed TRC values that range from 0.00 to 0.52. Attachment 2 also provides budget and TRC information for an additional 12 programs that PG&E proposes to close upon completion of program commitments. These 12 programs have a combined 2020 budget of approximately \$30 million and only two are cost-effective.<sup>26</sup> It is Energy Division staff's assessment that PG&E's proposed program closures for 2021 are reasonable, particularly in light of the transition to the increased level of third-party programs.

Lastly, all CPUC efficiency savings parameter updates go through the Database for Energy Efficient Resources (DEER) update process, in which stakeholders have the opportunity to review and comment on the proposed parameters updates, and the final updates are adopted via CPUC resolution. The DEER parameters updates do not go into effect immediately, but are instead applied to programmatic activity two years after they are approved by the CPUC. For example, the parameter updates approved by the CPUC in the August 2020 DEER resolution do not go into effect until program year 2022.

Consequently, PG&E is not required to modify its 2021 ABAL to reflect changes requested by the Council.

#### **4. SBUA Protest and PG&E Reply Comments**

SBUA's protest raised two issues that are specific to PG&E's 2021 ABAL:

- Investor-owned utilities have to collaborate with RENs to ensure the needs of small business customers are being met, and
- PAs should breakdown data by customer subclasses.

##### **4.1. IOU/REN Collaboration to Meet the Needs of Small-Business Customers**

In its protest, SBUA argued that meeting the needs of Hard-to-Reach (HTR) customers is not the sole responsibility of the Regional Energy Networks (REN). SBUA highlighted D. 18-05-041 to support its assertion that the IOUs and RENs may "propose programs to serve HTR customers even if these programs overlap."<sup>27</sup> SBUA stated that commercial HTR customers have historically low program participation rates and, as a critical customer class, should be targeted like residential customers. In order to achieve these ends, SBUA asked that Energy Division require the IOUs and

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<sup>26</sup> Each IOU PA included information on proposed program-level changes, including budgets and TRC, as either a spreadsheet attachment or prose in their respective 2021 ABAL filing.

<sup>27</sup> See "Protest of Small Business Utility Advocates to the Energy Efficiency Annual Budget Advice Letters for Program Year 2021", October 1, 2020, p. 3.



RENs to comply with D. 18-05-041 and refile their respective ABAL “with an analysis and plans that demonstrate coordination and effective plans to serve commercial HTR customers”<sup>28</sup>

PG&E’s reply to SBUA’s protest asked that the CPUC reject SBUA’s request for all PAs to file supplemental ABALs that demonstrate their respective plans to serve commercial HTR customers. In doing so, PG&E refers to the Joint Cooperation Memos (JCMs), which are filed annually by each PA (except SDG&E), per CPUC guidance.<sup>29</sup> JCMs describe the exact coordination activities between IOU PA and the RENs that SBUA requested in their protest, and PG&E asked that program administration coordination not be duplicated in the ABAL process.<sup>30</sup> In PG&E’s case, its reply highlighted planned quarterly meetings with BayREN in 2021 and referred readers to the PG&E and BayREN JCM.

## Discussion

PG&E is correct in describing the annual JCM as the primary source for information that SBUA asked for in its protest. These memos are filed annually by each PA (except SDG&E<sup>31</sup>), and describe the means by which each entity will cooperate and coordinate in the coming year to ensure that ratepayer funds are providing the best service possible to the ratepayers in their respective overlapping territories. Consequently, PG&E is not required to file a supplemental ABAL that describes cooperation between it and the REN, as this would be duplicative of the JCM process.

### **4.2. Customer Sub-class Data**

PAs currently report on funding requests, savings, etc., by general customer class (residential, commercial, industrial, and agricultural). In its protest, SBUA requested that PAs be required to break out data for residential and commercial customers into subgroups:

- res-single-family;
- res-multi-family;
- small commercial;
- medium; and,
- large commercial.

In addition, SBUA recommended that PAs be required to adopt SDG&E’s approach of presenting information on rate impacts for each customer sub-class, which SBUA argued would improve stakeholder and CPUC staff understanding of whether and how PA program activities are targeting customer classes that face significant participation barriers.<sup>32</sup>

In its reply, PG&E stated that its customer data cannot immediately be broken out by subclass, as forecasts are largely based on sector-level data provide by implementers who were not asked to provide sub-class information. PG&E argued that development of this sub-class-level data set

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<sup>28</sup> Ibid.

<sup>29</sup> SDG&E is not required to file a JCM as it does not currently work with any CCA or REN in the SDG&E service territory.

<sup>30</sup> See PG&E Reply, p. 6.

<sup>31</sup> SDG&E is not required to file a JCM, as it doesn’t not currently have any territory overlap with CCA/REN entities providing energy efficiency programs.

<sup>32</sup> See SBUA Protest, pp. 7-8.

would require an inordinate amount of time and should instead be considered in the upcoming Business Plan application and PY 2022 ABAL, which are both due in September 2021.

## Discussion

Energy Division agrees with PG&E that the ABAL process, which is explicitly envisioned as a “ministerial,”<sup>33</sup> sector-level budget recovery request exercise tied to review criteria laid out in D. 18-05-041, is not the proper forum for issues such as data collection and reporting requirements, which should be litigated within the energy efficiency proceeding. Consequently, Energy Division did not direct PG&E to break down customer data by sub-class and provide related rate impacts as part of the ABAL review process. Instead, Energy Division will work with stakeholders and the IOUs to determine the most feasible manner in which these revised data reporting provisions may be achieved.

Please direct any questions regarding Energy Division’s findings in this non-standard disposition to Peter Franzese ([peter.franzese@cpuc.ca.gov](mailto:peter.franzese@cpuc.ca.gov)).

Sincerely,

Handwritten signature of Edward Randolph in black ink, with the initials "(for)" written in parentheses to the right of the signature.

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
Director, Energy Division

Cc: Service Lists R. 13-11-005 and A.17-01-013  
Pete Skala, Energy Division  
Jennifer Kalafut, Energy Division  
Alison LaBonte, Energy Division  
Peter Franzese, Energy Division  
Michael Campbell, The Public Advocates Office  
Shelly Lyser, The Public Advocates Office  
Ivan Jimenez, Small Business Utility Advocates  
Greg Wikler, California Efficiency + Demand Management Council

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<sup>33</sup> See D. 15-10-028, p. 60