

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



October 28, 2015

Advice Letter 3642-G/4720-E

Erik Jacobson
Director, Regulatory Relations
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA 94177

**Subject: Request Authority to Use PG&E's Energy Efficiency
2013-2015 Program Funds to Increase Funds Available
to the Marin Clean Energy's Multifamily Program**

Dear Mr. Jacobson:

Advice Letter 3642-G/4720-E is effective November 14, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division

October 15, 2015

Advice 3642-G/4720-E

(Pacific Gas and Electric Company ID U 39 M)

Public Utilities Commission of the State of California

**Subject: Request Authority to Use PG&E's Energy Efficiency 2013-2015
Program Funds to Increase Funds Available to the Marin Clean
Energy's Multifamily Program**

Pacific Gas and Electric Company (PG&E) requests authority to use PG&E's unspent Statewide Institutional Partnerships (SIP) Energy Efficiency (EE) program funds to increase the available budget for the Marin Clean Energy's (MCE) Multifamily Program to fund EE projects that deliver gas savings.

Purpose

This Advice Letter requests authority to use up to \$200,000 in unspent funds from PG&E's SIP Program to increase the budget for MCE's Multifamily Program. The funds would increase MCE's energy efficiency gas funding for 2015 installations of energy efficiency measures with a gas savings component.

Background

In Decision (D.) 14-10-046, the California Public Utilities Commission (Commission or CPUC) approved funding for Energy Efficiency Program Administrators, including MCE. MCE's approved 2015 EE Programs budget of \$1,220,267 is comprised of \$1,001,267 in Electric Energy Efficiency Funds and \$219,000 in Natural Gas Public Purpose Funds.¹

Pursuant to Ordering Paragraph 26 of D.14-10-046, PG&E and MCE entered into a gas funding contract for 2015 for \$219,000. Pursuant to the terms of the gas funding contract, PG&E requires the Commission's approval to transfer funds to MCE based on MCE's invoices of completed work.

¹ D.15-01-023 issued on January 21, 2015 correcting errors in D.15-01-002 issued on January 9, 2015, which corrected errors in D.14-10-046 issued on October 21, 2014.

MCE is seeking an additional \$200,000 in gas funding for use in its multifamily program to pay customer incentives for measures that produce gas savings. MCE has informed PG&E that its unmet gas funding need for 2015 consists of customers that have provided signed rebate reservations. The projects are adopting similar mixes of measures and those with gas savings are: direct installation of water devices (aerators, etc.), central gas condensing water heater, water heaters and boilers, insulation, double-pane windows, and domestic hot water recirculating pumps.

Funding Request

PG&E requests authority to transfer up to \$200,000 in incentives from PG&E's State and Local Government Partnerships (PGE2110) Program², University of California/California State University (PGE2110012) subprogram to MCE as shown in Table 1 below. MCE's Multifamily Program budget increase will be used to pay customer incentives for projects that are completed in 2015 and invoiced to PG&E.

Table 1: Fund Transfer to MCE

PG&E Program Code	PG&E Subprogram	2015 Budget	Shift to MCE	Total Remaining SIP Program Funds
PGE211001	University of California/California State University	\$11,801,373	\$200,000	\$11,601,373

PG&E requests that this transfer not count toward its 2015 annual fund-shifting limits as it is not a shift of funds between PG&E programs. If this AL is approved, PG&E will detail this transfer in its quarterly accounting report. MCE's savings will count towards PG&E's service area energy savings goals consistent with D.14-01-033 (p. 36-37).

This funding request is based on the unique circumstances described above and should not be considered as setting a precedent for this or other programs in the MCE portfolio.

The gas savings agreement between MCE and PG&E would be revised to reflect this funding increase if the Advice Letter is approved. A copy of the draft amendment to the agreement between PG&E and MCE is provided in Attachment 2 of this Advice Letter.

The filing would not increase any current rate or charge, cause the withdrawal of service, or conflict with any rate schedule or rule.

² PG&E authorized budget for the State and Local Government Partnerships Program is \$72,321,914 as of the June 15, 2015 Compliance Filing Advice Letter AL 3541-G-C/4550-E-C, which was approved on July 21, 2015 effective as of January 1, 2015.

Protests

At the authorization of Energy Division, PG&E is requesting a shortened protest period. Anyone wishing to protest this filing may do so by letter sent via U.S. mail, facsimile or E-mail, no later than October 22, 2015, which is 7 days after the date of this filing. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102

Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004, at the address shown above.

The protest shall also be sent to PG&E and MCE either via E-mail or U.S. mail (and by facsimile, if possible) at the addresses shown below on the same date it is mailed or delivered to the Commission:

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-7226
E-mail: PGETariffs@pge.com

Michael Callahan-Dudley
Regulatory Counsel
Marin Clean Energy
1125 Tamalpais Ave.
San Rafael, CA 94109
E-mail: mcallahan-dudley@mceCleanEnergy.org

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name, telephone number, postal address, and (where appropriate) e-mail address of the protestant; and statement that

the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 advice filing become effective on regular notice, November 14, 2015, which is 30 calendar days after the date of filing.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.13-11-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter filings can also be accessed electronically at: <http://www.pge.com/tariffs/>.

/S/

Erik Jacobson
Director, Regulatory Relations

Attachments

cc: Peter Skala, Energy Division
Jeremy Battis, Energy Division
Joanna Gubman, Energy Division
Service List R.13-11-005

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **Pacific Gas and Electric Company (ID U39 M)**

Utility type:

ELC

GAS

PLC

HEAT

WATER

Contact Person: Kingsley Cheng

Phone #: (415) 973-5265

E-mail: k2c0@pge.com and PGETariffs@pge.com

EXPLANATION OF UTILITY TYPE

(Date Filed/ Received Stamp by CPUC)

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

Advice Letter (AL) #: **3642-G/4720-E**

Tier: 2

Subject of AL: **Request Authority to Use PG&E's Energy Efficiency 2013-2015 Program Funds to Increase Funds Available to the Marin Clean Energy's Multifamily Program**

Keywords (choose from CPUC listing): Agreements, Energy Efficiency

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #: N/A

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Is AL requesting confidential treatment? If so, what information is the utility seeking confidential treatment for: No

Confidential information will be made available to those who have executed a nondisclosure agreement: N/A

Name(s) and contact information of the person(s) who will provide the nondisclosure agreement and access to the confidential information: _____

Resolution Required? Yes No

Requested effective date: **November 14, 2015**

No. of tariff sheets: N/A

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed: N/A

Pending advice letters that revise the same tariff sheets: N/A

Protests, dispositions, and all other correspondence regarding this AL are due no later than 7 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission

Energy Division

EDTariffUnit

505 Van Ness Ave., 4th Flr.

San Francisco, CA 94102

E-mail: EDTariffUnit@cpuc.ca.gov

Pacific Gas and Electric Company

Attn: Erik Jacobson

Director, Regulatory Relations

c/o Megan Lawson

77 Beale Street, Mail Code B10C

P.O. Box 770000

San Francisco, CA 94177

E-mail: PGETariffs@pge.com

Attachment 1: Letter of Support

October 15, 2015

CA Public Utilities Commission
Energy Division
Attention: Energy Efficiency Branch
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298



Re: Support for Pacific Gas and Electric Company's (PG&E's) Request to Increase Gas Funding Available to Marin Clean Energy (MCE) for 2015

Marin Clean Energy (MCE) supports Pacific Gas and Electric Company's (PG&E) Advice Letter 3642-G/4720-E. PG&E's proposed amendment will ensure MCE has sufficient gas funding for completed projects in 2015.

Background

MCE is California's first Community Choice Aggregator (CCA) to serve customers with energy efficiency programs under Cal. Pub. Util. Code § 381.1.¹ MCE has been administering ratepayer funded energy efficiency programs since 2012.²

Decision (D.) 12-11-015 approved MCE's energy efficiency programs for 2013-2014. D. 14-10-046 granted continuation of funding for these programs³ and directed PG&E to enter into a contract with MCE to provide funding for natural gas efficiency measures. PG&E's Advice Letter 3642-G/4720-E requests to increase the amount of gas funding under the contract to ensure MCE has sufficient funding to serve multifamily projects completed in 2015.

MCE Multifamily Program Success and Fund Shifts with Advice Letter 10-E

MCE's Multifamily Program provides energy assessments and rebates for energy saving improvements to multifamily properties, as well as no-cost direct installation of in-unit measures to save energy and provide tenant benefits. The program participation in 2015 is exceeding projections and MCE's original budget is insufficient to serve the project pipeline.

Since program inception in 2013, MCE has paid \$95,699.40 in incentives serving 1,312 multifamily units. In 2015, MCE has \$430,343 in reserved incentives for 1,016 additional units.

¹ All subsequent references to code sections are to the Cal. Pub. Util. Code unless otherwise noted.

² Resolution E-4518 adopted in August 2012 granted authority to MCE (at the time, MCE was named Marin Energy Authority) under Code sections 381.1(e)-(f). Subsection 381.1(f) expressly restricted that program to customers receiving generation service from MCE.

³ MCE applied for ratepayer funding under Public Utilities Code 381.1 (a-d) which authorizes MCE to serve any customer in its service territory, not just MCE CCA customers.

However, MCE’s original incentive budget for 2015 was only \$234,861. The difference between the original budget and the reserved incentives in 2015 created a budget shortfall.

MCE is fund shifting from other MCE energy efficiency programs to cover the budget shortfall. MCE filed an Advice Letter on September 17, 2015⁴ requesting cancellation of MCE’s Single-Family On-Bill Repayment (SFOBR) Program and approval of several fund shifts to MCE’s Multifamily Program.⁵ These fund shifts ensure the Multifamily Program has a sufficient budget to accommodate the signed rebate reservations in the 2015 project pipeline (Table 1).

Table 1: Fund Shifting to Cover 2015 Multifamily Project Pipeline

2015 Multifamily				
	Total Budget	Rebate Budget	Rebate Reservations	Rebate Shortfall
Pre-Fund Shifting	\$423,486	\$200,692	\$430,343	\$(229,651)
Fund Shift Total	\$596,473	\$596,473	-	-
Post Fund Shifting	\$1,019,959	\$797,165	\$430,343	\$366,822

Amended Contract to Increase Gas Funding Available to MCE

MCE is an energy efficiency program administrator.⁶ However, MCE does not collect gas revenues. As mentioned above, the Commission directed PG&E to contract with MCE.⁷ The decision “[did] not want to be overly prescriptive [] regarding how to split MCE’s revenue requirement between gas and electric funds.”⁸ However it provided an initial gas funding amount of \$219,000.⁹

Given the robust participation in MCE’s multifamily program, this initial amount is insufficient and results in unmet gas funding need in 2015 (Table 2). Fortunately, the robust participation also promises an approximately proportional increase in therms savings associated with the increase in gas spending (Table 2).

Table 2: MCE 2015 Unmet Gas Funding Need

2015 Program Year	Gas Funding	Gas Savings (therms)
Original	\$219,000	26,046
Invoiced to PG&E*	\$119,037	
Remaining from PG&E*	\$99,963	
Anticipated Spending	\$417,453	45,553
Unmet Funding Need	\$(198,453)	-
*As of 10/13/2015 and based on original contract amount of \$219,000.		

PG&E’s Advice Letter is requesting to amend the gas funding contract with MCE to include an additional \$200,000 in gas funding. The amendment would result in a total of \$419,000 in gas

⁴ MCE Advice Letter 10-E.

⁵ Pursuant to the Energy Efficiency Policy Manual V.5, Appendix C.

⁶ D.14-01-033 at p. 9.

⁷ D.14-10-046 at p. 119.

⁸ D.14-10-046 at p. 119.

⁹ D.14-10-046 Ordering Paragraph 26 at p. 119.

funding available to MCE for completed projects in 2015. MCE supports this amendment to fully fund its 2015 project pipeline and save an additional 19,500 therms.

Conclusion

MCE supports PG&E's request to modify the gas funding contract. This modification will provide MCE with adequate funds to serve customers and achieve additional therm savings. The Commission should approve PG&E's requested amendment so the contract can be executed and MCE can invoice PG&E for gas funds up to \$419,000 for completed projects in 2015.

For questions, please contact Michael Callahan-Dudley at (415) 464-6045 or by electronic mail at mcallahan-dudley@mceCleanEnergy.org.



Michael Callahan-Dudley
Regulatory Counsel
MARIN CLEAN ENERGY

Attachment 2

FIRST AMENDMENT TO THE AGREEMENT BETWEEN PACIFIC GAS AND ELECTRIC COMPANY AND MARIN CLEAN ENERGY FOR GAS ENERGY EFFICIENCY MEASURES

This First Amendment to the Agreement between Pacific Gas and Electric Company (“PG&E”) and the Marin Clean Energy (“MCE”) For Gas Energy Efficiency Measures dated February 5, 2015 (“Agreement”) is made on _____, 2015 (the “Effective Date”). All terms defined in the Agreement shall have the same meaning in this First Amendment unless otherwise defined.

WHEREAS:

- A. The CPUC ordered PG&E to enter into a contract with MCE for \$219,000 per year until 2025 or until modified or superseded by further Commission direction to pay in whole or in part for MCE energy efficiency programs that have a gas savings component in D.14-10-046, Ordering Paragraph 26 (Decision).
- B. MCE has informed PG&E that its 2015 gas budget is insufficient to for pay customer incentives for energy efficiency projects with gas savings components that have enrolled in MCE's multi-family program.

The Parties agree to amend the Agreement as follows:

1. MAXIMUM CONTRACT AMOUNT

PG&E and MCE, with the written approval and instruction by the CPUC Energy Division, agree to increase the maximum contract amount up to an additional \$200,000.00 for gas saving projects installed by December 31, 2015. Any amount of the contract increase in this First Amendment not used for customer incentive payments for gas savings measures for projects installed by December 31, 2015, shall not be disbursed to MCE or otherwise available to MCE or its customers for energy efficiency projects completed after December 31, 2015.

IN WITNESS WHEREOF, this First Amendment has been duly signed by the duly authorized representatives of the Parties hereto as of the Effective Date.

Pacific Gas and Electric Company

Marin Clean Energy

By:

By:

Printed: _____

Printed: _____

Title: _____

Title: _____

Date: _____

Date: _____

**PG&E Gas and Electric
Advice Filing List
General Order 96-B, Section IV**

AT&T	Don Pickett & Associates, Inc.	OnGrid Solar
Albion Power Company	Douglass & Liddell	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Downey & Brand	Praxair
Anderson & Poole	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
BART	G. A. Krause & Assoc.	SCD Energy Solutions
Barkovich & Yap, Inc.	GenOn Energy Inc.	SCE
Bartle Wells Associates	GenOn Energy, Inc.	SDG&E and SoCalGas
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CPUC	Green Power Institute	San Francisco Water Power and Sewer
California Cotton Ginners & Growers Assn	Hanna & Morton	Seattle City Light
California Energy Commission	In House Energy	Sempra Energy (Socal Gas)
California Public Utilities Commission	International Power Technology	Sempra Utilities
California State Association of Counties	Intestate Gas Services, Inc.	SoCalGas
Calpine	Kelly Group	Southern California Edison Company
Casner, Steve	Leviton Manufacturing Co., Inc.	Spark Energy
Cenergy Power	Linde	Sun Light & Power
Center for Biological Diversity	Los Angeles County Integrated Waste Management Task Force	Sunshine Design
City of Palo Alto	Los Angeles Dept of Water & Power	Tecogen, Inc.
City of San Jose	MRW & Associates	Tiger Natural Gas, Inc.
Clean Power	Manatt Phelps Phillips	TransCanada
Coast Economic Consulting	Marin Energy Authority	Troutman Sanders LLP
Commercial Energy	McKenna Long & Aldridge LLP	Utility Cost Management
Cool Earth Solar, Inc.	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Davis Wright Tremaine LLP	NLine Energy, Inc.	Water and Energy Consulting
Day Carter Murphy	NRG Solar	Wellhead Electric Company
Defense Energy Support Center	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	ORA	YEP Energy
Division of Ratepayer Advocates	Office of Ratepayer Advocates	