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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of 2024-2031 Energy Efficiency Business Plan and 2024-2027 Portfolio Plan (U39M).

Application 22-02-005

And Related Matters.

- Application 22-03-003
- Application 22-03-004
- Application 22-03-005
- Application 22-03-007
- Application 22-03-008
- Application 22-03-011
- Application 22-03-012

ASSIGNED COMMISSIONER’S SCOPING MEMO AND RULING

This scoping memo and ruling sets forth the issues, need for hearing, schedule, category, and other matters necessary to scope this proceeding pursuant to Public Utilities (Pub. Util.) Code Section 1701.1 and Article 7 of the Commission’s Rules of Practice and Procedure (Rules).

1. Procedural Background

This proceeding was initiated on February 15, 2022, by the application of Pacific Gas and Electric Company (PG&E), for approval of its 2024-2031 energy efficiency business plan and 2024-2027 portfolio plan. On March 4, 2022, Bay Area Regional Energy Network (BayREN), Tri-County Regional Energy Network (3C-REN), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), Southern California Gas Company (SoCalGas), Southern

California Regional Energy Network (SoCalREN), and Marin Clean Energy (MCE) also filed applications for approval of their business and portfolio plans. Also on March 4, 2022, Redwood Coast Energy Authority (RCEA) filed a motion in Rulemaking (R.) 13-11-005 for approval of a new Rural Regional Energy Network (RuralREN) business plan. On March 17, 2022, the ruling of Chief Administrative Law Judge (ALJ) Simon consolidated the above applications and transferred the RCEA motion from R.13-11-005 to this consolidated proceeding.

On April 15, 2022, protests were filed by the Public Advocates Office of the California Public Utilities Commission and Sierra Club. Also on April 15, 2022, responses were filed by Small Business Utility Advocates; Enervee; RCEA, Natural Resources Defense Council (NRDC); Sonoma Clean Power Authority; SoCalGas; California Efficiency + Demand Management Council; Recurve Analytics, Inc. (Recurve); and Association of Bay Area Governments (ABAG) and County of Ventura (on behalf of BayREN and 3C-REN, jointly). On April 25, 2022, replies were filed by SoCalREN, SoCalGas, SCE, Enervee, Sierra Club, ABAG and County of Ventura (jointly), PG&E, SDG&E, MCE, NRDC, Recurve, and RCEA.

A prehearing conference (PHC) was held on May 17, 2022, to address the issues of law and fact, determine the need for hearing, set the schedule for resolving the matter, and address other matters as necessary. After considering the applications and motion; protests, responses, and replies; PHC statements; and discussion at the PHC, I have determined the issues and initial schedule of the proceeding to be set forth in this scoping memo.

2. Issues

In general, the scope of this proceeding is to evaluate the reasonableness of the 2024-2027 portfolio proposals and the 2024-2031 business plan proposals.

This includes analyzing the reasonableness of the programmatic aspects of the proposals, as well as the budgets, savings estimates, and cost-effectiveness and total system benefit (TSB) calculations.

We also note that there is concurrent related work in the energy efficiency rulemaking (R.13-11-005). Some of the issues identified in this scoping memo may be alternatively or additionally addressed there; the assigned ALJs will provide notice to the service list of this consolidated proceeding of any rulings and proposed decisions in R.13-11-005 that address an issue identified herein.

A high-level summary of the scope of issues in this proceeding can be summarized as follows:

Budget

1. Are the budgets just and reasonable and will they accomplish the TSB goals?

Goals and Accountability

2. Are program proponents' forecasts of energy savings, greenhouse gas reductions, TSB, and cost-effectiveness reasonable and aligned with state policy? What guidance, if any, is needed to ensure TSB calculations are consistent and properly capture Commission-adopted TSB values?
3. Are the proposed indicators, metrics and targets for the portfolios, segments, and programs reasonable, and do they demonstrate growth and progress needed to meet future opportunities? What additional guidance, if any, is needed to better define target customer segments (e.g., underserved)?
4. As a corollary to how investor-owned utilities and MCE, as a community choice aggregator, are held accountable to meet TSB goals and cost-effectiveness thresholds (for resource acquisition), which performance metrics and associated targets should regional energy networks (REN) be held accountable to?

Segments and Programs

5. Are program proponents' program classifications into resource acquisition, market support, equity and codes and standards, as well as sectors, delivery streams, and measurement protocols reasonable given the programs' primary objectives/intended outcomes?
6. Do program proponents' proposed resource acquisition segments meet the Commission's cost-effectiveness requirements?
7. Will program proponents' portfolios and business plans advance achievement of the Commission's Environmental and Social Justice Action Plan? What additional guidance, if any, is needed to better align portfolios and programs with the Environmental and Social Justice Action Plan? This issue may include consideration of the California Energy Efficiency Coordinating Committee (CAEECC) purpose, governance structure, and membership.
8. Is there sufficient opportunity and flexibility for innovation in the resource acquisition, market support and equity segments?

Third Party Procurement

9. Should third-party procurement objectives, processes and rules be reformed? If so, how?

Statewide Programs

10. Under what circumstances should programs be considered for statewide administration? Should the process for administrator assignment be revised, and if so, how?
11. Should budget allocations for statewide programs be revised in the context of portfolio segmentation?

Portfolio Policy Issues

12. What guidance, if any, is needed or reasonable regarding whether or how portfolios or programs should be positioned (*e.g.*, in terms of program delivery protocols) to

leverage other federal, state or private funding for energy efficiency?

13. Should codes and standards advocacy programs support the development of non-energy efficiency building codes and appliance standards, including for electric vehicles, storage, decarbonization, and other standards?
14. Should energy efficiency budgets be allowed or directed to support the Distributed Energy Resources Action Plan, summer reliability, and resiliency goals? This issue may include consideration of how energy efficiency funds are aligned with but not duplicative of funding authorized in other proceedings, including SCE's building electrification application.
15. Are additional rules or different protocols needed to enable customer data access for implementers, measurement and verification providers, and non-utility program administrators?
16. What modifications, if any, are needed for the governance, development and implementation of Commission tools (including the California Energy Data and Reporting System (CEDARS) and Cost Effectiveness Tool (CET)) used to calculate, track, and share information related to energy efficiency programs?
17. What additional guidance or policy, if any, is needed to address strategic energy management programs, normalized metered energy consumption programs, the state's decarbonization goals (including incentives for natural gas appliances), and treatment of low-global warming potential refrigerants?

Program Administrator Coordination

18. What additional guidance, if any, is needed on program administrator roles and coordination, including geographic areas, design of complementary portfolios, and avoiding customer confusion?

The following issues are not within scope of this proceeding:

- Whether or how the Avoided Cost Calculator should be updated. This matter is appropriately within scope of a successor to the Integrated Distributed Energy Resources rulemaking (R.14-10-003).¹
- Cost-effectiveness policy: whether the Commission should evaluate use of the Program Administrator Cost test and/or inclusion of societal benefits as required thresholds in addition to or instead of the existing Total Resource Cost test. Such consideration, if warranted, would have implications for energy efficiency policy and portfolios far beyond the current business plan and portfolio proposals, such that it would be more appropriately addressed in the energy efficiency rulemaking, R.13-11-005, or a successor proceeding.

3. Need for Evidentiary Hearing

The need for evidentiary hearing will be determined by the assigned ALJs. We encourage all parties to work collaboratively in good faith to seek common ground on both procedural and policy matters, and in that way minimize the scope of material factual disputes and, ideally, obviate the need for testimony or hearings.

To the extent that material factual disputes persist, the schedule adopted below includes an opportunity for parties to request evidentiary hearings. Parties that request evidentiary hearings must file a motion by the deadline given below, in which they specifically identify any material disputed issues of fact they believe the Commission must resolve through evidentiary hearings. Mere reiteration of arguments previously made will not be sufficient. Parties requesting hearings must explain why hearings are required on these specific

¹ See Decision (D.) 22-05-002 *Decision Adopting Changes to the Avoided Cost Calculator*, issued May 6, 2022, Ordering Paragraph 5.

issues. All factual assertions must be verified; unverified factual assertions will be given only the weight of argument.

4. Schedule

As previously noted, there is concurrent related work in the energy efficiency rulemaking (R.13-11-005). Activities in that proceeding, most notably consideration and adoption of updated energy efficiency goals for 2024–2033, may impact the business plans and portfolios under consideration in this proceeding. The assigned ALJs and assigned Commissioner’s office will consider the schedule and activities between these proceedings to help ensure issues are efficiently and effectively addressed.

In their PHC statement, ABAG (for BayREN), County of Ventura (for 3C-REN), County of Los Angeles (for SoCalREN), and RCEA (for the proposed new RuralREN) advocate for Commission consideration of RCEA’s motion on a separate procedural schedule, noting the Commission most recently undertook consideration of Inland Regional Energy Network’s (IREN) business plan via a relatively expeditious ruling and comment process in R.13-11-005. Although D.19-12-021 confirms that new REN business plans may be proposed via a motion in the then-open energy efficiency rulemaking, the Commission retains discretion over the manner in which it considers whether to authorize a new REN. RCEA’s motion proposes a new REN that would serve four distinct regions, with non-uniform program offerings, and requiring consideration of programs offered by other program administrators in each of those four regions. Given the geographic and programmatic scope of RCEA’s motion, which is significantly greater than that of IREN, it is reasonable to consider RCEA’s motion in the context of considering all other program proponents’ business

plans and portfolio plans. Therefore, we will not consider RCEA’s motion on a separate, more expedited schedule, as was done for IREN’s business plan.

The following schedule is adopted here and may be modified by the ALJs as required to promote the efficient and fair resolution of the applications and motion. Energy Division staff may direct program proponents and/or the CAEECC to host workshops on specific issues.

EVENT	DATE
Rulings and possible workshops on: <ul style="list-style-type: none"> • Natural gas incentives • Third-party solicitation reform • Governance of Commission tools (CEDARS and CET) • Program Administrator Coordination • Indicators, performance metrics and targets (Issues 3 and 4) • Other matters raised in the scope of issues above, if appropriate 	Q2 - Q4 2022
Comments and reply comments on policy rulings, as needed	August 2022 – September 2022
Intervenors’ prepared direct testimony served, on any/all items not addressed in comments in response to separate rulings earlier	October 7, 2022
Rebuttal testimony	November 7, 2022
Deadline to file a motion to request evidentiary hearings	November 21, 2022
Meet and confer (Rule 13.9)	December 1, 2022
Potential interim proposed decision on policy issues identified in rulings	December 2022
Status conference	January 30, 2023
Evidentiary hearing (if needed)	February 6–17, 2023
Opening briefs	April 17, 2023

EVENT	DATE
Reply briefs [<i>matter submitted</i>]	May 4, 2023
Proposed decision	Q3 2023
Commission decision	Q3 2023

The purpose of the January 30, 2023 status conference is to ascertain whether, pursuant to Rule 13.8(c), the parties stipulate to the receipt of prepared testimony into evidence without direct or cross examination or other need to convene an evidentiary hearing or, in the alternative, the parties’ resources, readiness and needs for the effective remote conduct of the evidentiary hearing, including estimates of time requested for cross-examination and identification of anticipated exhibits.

The proceeding will stand submitted upon the filing of reply briefs, unless the ALJs require further evidence or argument. We anticipate a proposed decision addressing all applications and RCEA’s motion during late summer 2023; to afford sufficient time for the Commission to consider the proposed decision, this scoping memo provides that the proceeding will be resolved within 24 months after the proceeding was initiated, in accordance with Pub. Util. Code Section 1701.5(b).

5. Alternative Dispute Resolution (ADR) Program and Settlements

The Commission’s ADR program offers mediation, early neutral evaluation, and facilitation services, and uses ALJs who have been trained as neutrals. At the parties’ request, the assigned ALJ can refer this proceeding to the Commission’s ADR Coordinator. Additional ADR information is available on the Commission’s website.²

² See D.07-05-062, Appendix A, § IV.O.

Any settlement between parties, whether regarding all or some of the issues, shall comply with Article 12 of the Commission's Rules of Practice and Procedure and shall be served in writing. Such settlements shall include a complete explanation of the settlement and a complete explanation of why it is reasonable in light of the whole record, consistent with the law and in the public interest. The proposing parties bear the burden of proof as to whether the settlement should be adopted by the Commission.

6. Category of Proceeding and *Ex Parte* Restrictions

This ruling confirms the Commission's preliminary determination³ that this is a ratesetting proceeding. Accordingly, *ex parte* communications are restricted and must be reported pursuant to Article 8 of the Commission's Rules of Practice and Procedure.

7. Public Outreach

Pursuant to Pub. Util. Code Section 1711(a), I hereby report that the Commission sought the participation of those likely to be affected by this matter by noticing it in the Commission's monthly newsletter that is served on communities and business that subscribe to it and posted on the Commission's website.

8. Intervenor Compensation

Pursuant to Pub. Util. Code Section 1804(a)(1), a customer who intends to seek an award of compensation must file and serve a notice of intent to claim compensation by June 16, 2022, 30 days after the PHC.

³ Resolution ALJ-3504/OIR at page.

9. Response to Public Comments

Parties may, but are not required to, respond to written comments received from the public. Parties may do so by posting such response using the “Add Public Comment” button on the “Public Comment” tab of the online docket card for the proceeding.

10. Discovery

Discovery may be conducted by the parties consistent with Article 10 of the Commission’s Rules of Practice and Procedure. Deadlines for responses may be determined by the parties. Motions to compel or limit discovery shall comply with Rule 11.3.

To assist in efficient handling of this proceeding, all parties shall share discovery requests or responses with other parties and Energy Division staff upon request, no later than ten calendar days following a request for such requests or responses. Such request may seek access to discovery about particular subjects, rather than to a discovery request by title or number.

11. Public Advisor

Any person interested in participating in this proceeding who is unfamiliar with the Commission’s procedures or has questions about the electronic filing procedures is encouraged to obtain more information at <http://consumers.cpuc.ca.gov/pao/> or contact the Commission’s Public Advisor at 866-849-8390 or 866-836-7825 (TTY), or send an e-mail to public.advisor@cpuc.ca.gov.

12. Filing, Service, and Service List

The official service list has been created and is on the Commission’s website. Parties should confirm that their information on the service list is

correct and serve notice of any errors on the Commission's Process office, the service list, and the ALJ. Persons may become a party pursuant to Rule 1.4⁴.

When serving any document, each party must ensure that it is using the current official service list on the Commission's website.

This proceeding will follow the electronic service protocol set forth in Rule 1.10. All parties to this proceeding shall serve documents and pleadings using electronic mail, whenever possible, transmitted no later than 5:00 p.m., on the date scheduled for service to occur. Rule 1.10 requires service on the ALJ of both an electronic and a paper copy of filed or served documents, unless the ALJ orders otherwise. The assigned ALJs direct parties to serve only electronic copies of any filed or served documents on the assigned ALJs.

When serving documents on Commissioners or their personal advisors, whether or not they are on the official service list, parties must only provide electronic service. Parties must not send hard copies of documents to Commissioners or their personal advisors unless specifically instructed to do so.

Persons who are not parties but wish to receive electronic service of documents filed in the proceeding may contact the Process Office at process_office@cpuc.ca.gov to request addition to the "Information Only" category of the official service list pursuant to Rule 1.9(f).

The Commission encourages those who seek information-only status on the service list to consider the Commission's subscription service as an alternative. The subscription service sends individual notifications to each subscriber of formal e-filings tendered and accepted by the Commission. Notices

⁴ The form to request additions and changes to the Service list may be found at <https://www.cpsc.ca.gov/-/media/cpsc-website/divisions/administrative-law-judge-division/documents/additiontoservicelisttranscriptordercompliant.pdf>.

sent through subscription service are less likely to be flagged by spam or other filters. Notifications can be for a specific proceeding, a range of documents and daily or weekly digests.

13. Receiving Electronic Service from the Commission

Parties and other persons on the service list are advised that it is the responsibility of each person or entity on the service list for Commission proceedings to ensure their ability to receive e-mails from the Commission. Please add “@cpuc.ca.gov” to your e-mail safe sender list and update your e-mail screening practices, settings and filters to ensure receipt of e-mails from the Commission.

14. Assignment of Proceeding

Genevieve Shiroma is the assigned Commissioner and Julie A. Fitch and Valerie U. Kao are the assigned ALJs and presiding officers for the proceeding.

IT IS RULED that:

1. The scope of this proceeding is described above and is adopted.
2. The schedule of this proceeding is set forth above and is adopted.
3. Hearings may be necessary. Parties requesting hearings must timely file a motion demonstrating the need for hearings on particular issues according to the schedule (Section 4) adopted by this scoping memo.
4. The presiding officers are Administrative Law Judge (ALJ) Julie A. Fitch and ALJ Valerie U. Kao.
5. The assigned Commissioner and/or Administrative Law Judges may modify the schedule of this proceeding to ensure efficient and complete resolution of this proceeding.

6. The category of the proceeding is ratesetting.

This order is effective today.

Dated June 24, 2022, at San Francisco, California.

/s/ GENEVIEVE SHIROMA

Genevieve Shiroma
Assigned Commissioner