

PUBLIC UTILITIES COMMISSION

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April 2, 2019

Laura Genao
Managing Director, State Regulatory Affairs
Southern California Edison
601 Van Ness Avenue, Suite 2030
San Francisco, CA 94102

Dear Ms. Genao:

Energy Division staff approves Southern California Edison's (SCE) 2019 Annual Budget Advice Letter (3859-E and 3859-E-A) effective, April 2, 2019. SCE is authorized to spend \$230,173,822, which includes \$157,004,440 of carryover; as a result, SCE is authorized to recover \$73,169,382 for their 2019 programs.

Background

On September 4, 2018, Southern California Edison (SCE) filed Advice Letter (AL) 3859-E and submitted a Supplemental Advice Letter, 3859-E-A, on October 29, 2018.¹ On October 4, 2018, the California Public Advocates (CalPA or PAO), the California Efficiency Demand Management Council (Council), The Utility Reform Network (TURN), and the Local Government Sustainable Energy Coalition (LGSEC) each filed timely protests to SCE's AL 3859-E.

Public Advocates Office Protest and Reply Comments***Required use of 2019-2020 Draft DEER Resolution E-4952***

In its October 4, 2018 protest, CalPA requests that all program administrators (PAs) file a supplemental advice letter updating their 2019 Annual Budget Advice Letter (ABAL) based on the 2019-2020 draft Database for Energy Efficient Resource (DEER) Resolution E-4952. CalPA states that the Draft Resolution E-4952 would make numerous changes to DEER such as adjustments to net-to-gross ratios and the expected useful life of certain measures. Many of these changes will reduce the claimable savings from energy efficiency measures. CalPA states that "If Draft Resolution E-4952 is adopted by the Commission, the Program Administrators' (PA) energy efficiency portfolios will instantly become less cost-effective than currently forecast."²

CalPA concludes that "given the fact that Draft Resolution E-4952 is likely to have a significant impact on the cost-effectiveness of energy efficiency portfolios, the Commission should require SCE to submit supplemental advice letters after the resolution is adopted. In these supplemental

¹ D.15-10-028, OP 4- PA must file a Tier 2 advice letter containing a budget for the next calendar year's portfolio.

² California Public Advocates protest to MCE, PG&E, SCE, SDG&E and SoCalGas ABALs in proceeding R.13-11-015, pages 4-5.

advice letters, SCE should provide a revised cost-effectiveness forecast based on the updated DEER values.”³

SCE replied to the protest from the CalPA on October 11, 2018. SCE argued the Commission should not adopt CalPA’s recommendation for the following reasons:

- First, SCE claims Resolution E-4867, the DEER resolution, adopted on August 10, 2017, the Commission directed the PAs to use the resolution values adopted in that resolution for 2019 planning, implementation and reporting.⁴
- Second, SCE states that Draft Resolution E-4952 directs the PAs to only use the new values for 2019 savings claims.⁵
- Finally, SCE believes requiring yet another supplemental advice letter filing after the Draft Resolution was adopted would not be efficient, is not necessary, and can be addressed in the workshop for PAs who do not meet a 1.25 forecasted total resource cost (TRC).⁶

Discussion

While CalPA’s protest requests that Energy Division staff require all PAs to refile their ABALs using the relevant updates in the then Draft DEER Resolution E-495, there is no prior Commission direction which would necessitate the PAs to do so. Energy Division staff acknowledges that the approved Resolution E-4952 may change, but the PAs use the current DEER inputs in their ABALs, not DEER values approved for future planning. Ordering Paragraph (OP) 3 of Resolution E-4952 states that E-4952 is only applicable to reporting savings claims in 2019 and for portfolio planning in 2020.⁷ OP 2 of the August 2017 Resolution E-4867 states that approved DEER values from Resolution E-4867 must be used for 2019 portfolio planning. Requiring the PAs to resubmit their ABALs to Energy Division staff using relevant DEER updates from Resolution E-4952, would contradict both of these Commission-adopted resolutions. Consequently, Energy Division rejects CalPA’s protest and will not require SCE to resubmit their ABAL. There will be a future workshop to discuss SCE’s ABAL DEER and other ABAL sections.

Commission Requires Workshop

D. 18-05-041, Section 7.2, describes the required content to be included in a PA’s ABAL filing. Specifically, the PA(s) must “include a discussion of proposed program and portfolio changes, to facilitate Commission staff and stakeholder review of the ABAL submissions and understanding

³ Ibid.

⁴ Resolution E-4867, pg. 7, OP 2.

⁵ Draft Resolution E-4952, pg. 17, OP 3.

⁶ SCE reply to protest of CalPA in Proceeding R.13-11-005, pg 2.

⁷ E-4952, OP 3 states that "Pacific Gas and Electric Company (PG&E), Southern California Electric Company (SCE), Southern California Gas Company (SoCalGas), and San Diego Gas & Electric (SDG&E), the San Francisco Bay Area Regional Energy Network (BayREN), Southern California Regional Energy Network (SoCalREN), Tri-County Regional Energy Network (3CREN), Local Government Sustainable Energy Coalition (LGSEC), Lancaster Choice Energy (LCE), and Marin Clean Energy (MCE) must use the updated assumptions, methods and values for 2019 savings claims and 2020 planning, implementation and reporting."

of future portfolio considerations and composition.” While CalPA is correct in that PAs’ ABALs were required to address this content, D. 18-05-041 goes on to state that “there will be minimal to no review/oversight by staff of the provided information, but the information must be provided.” Therefore, Energy Division interprets the decision language to indicate that a PA must provide an explanation why they believe their portfolio will achieve an evaluated TRC of 1.0. Subsequent review by Energy Division staff of SCE’s initial and supplemental ABAL, as well as SCE’s response to CalPA’s protest, finds SCE met the requirements of D. 18-05-041 by including the required content in their ABAL filings. Specifically, SCE has:

- Provided a list cost-effective programs it will expand in 2019;
- Provided a list of non-cost-effective programs it will reduce or sunset in 2019;
- Described its intent to improve measure cost accounting;

Energy Division staff finds that SCE has met the annual budget advice letter review criteria listed above and has provided an adequate explanation of why it is not forecasting a portfolio TRC of 1.25 and how it plans to achieve an evaluated portfolio TRC of 1.0 during the transition period.

Because SCE met the ABAL review criteria of a forecasted 1.0 TRC, but fell short of forecasting 1.25 TRC threshold, D. 18-05-041 requires SCE to initiate a workshop process⁸ in which SCE will:

- explain why its forecasted TRC does not meet or exceed 1.25;
- describe how it intends to achieve a portfolio TRC that meets or exceeds 1.0 on an evaluated basis;
- describe how it will transition to and achieve a forecast TRC of at least 1.25 by program year 2023.

As part of this process, SCE should:

- identify any programs it intends to discontinue or modify due to consistently poor or declining cost-effectiveness results; and
- describe how the PA is communicating this intention to those programs’ beneficiaries.

Energy Division staff, working with SCE in planning the workshop, may also ask SCE to address additional issues related to portfolio cost-effectiveness, administrative costs and program accounting practices.

This workshop process is the appropriate venue for CalPA to gather more substantive information on SCE’s portfolio cost-effectiveness and provide constructive feedback to SCE via the review and comment process. While D. 18-05-041 provides a specific timeline, as part of this workshop process the PAs must deliver a report that summarizes the workshop. Per Commission guidance, parties may file comments on SCE’s proposed portfolio composition in response to the SCE workshop report.

⁸ See D. 18-05-041 at <http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M215/K706/215706139.PDF> , pp. 134-137.

The PAs should be required to show their portfolios comply with the statewide funding requirements of D.18-05-041

Decision D.18-05-041 states that:

- PG&E, SCE and SDG&E spend at least 25% of their portfolio budget on statewide programs, and SoCalGas spend at least 15% of their budget on statewide programs, where such statewide programs conform to the new definition per D.16-08-019.
- Each IOU funds each statewide program in proportion to their load share⁹, and that such funding not deviate from load share by more than 20 percent.¹⁰
- All the IOU PAs shall propose a mechanism to track funding for statewide programs, including funding flows from other IOUs within 90 days of the issuance of this decision.¹¹

In its October 4, 2018, protest, CalPA argues the IOUs have not presented a plan for determining load share or how statewide program costs will be allocated across funding IOUs. For this reason, CalPA argues, the Commission cannot be assured of compliance with the statewide requirements. CalPA asks that the Commission require the PAs to file in a supplemental filing the load-proportional funding shares by fuel type (gas and electric) for each statewide program, to demonstrate compliance.

Discussion

Statewide programs conforming to the definition in D.16-08-019 will not be implemented until program year 2020. For this reason, Energy Division staff submitted a request to the IOUs for planned budgets for statewide program areas and a methodology for determining load-proportional funding shares by fuel type (gas and electric) for each statewide program to demonstrate compliance. This information was requested as a supplemental to the PAs' co-funding mechanism advice letters, submitted pursuant to D.18-05-041 OP24.¹² The PAs submitted the requested supplemental information on November 16, 2018, within the co-funding mechanism advice letter review process. A 20-day comment period for Parties to react to the supplemental advice letters closed on Thursday December 6, 2018, with no protests. Energy Division staff are working on the related dispositions, that will consider their demonstration of compliance with statewide program policies of D.16-08-019 and D.18-05-041, and the degree to which they sufficiently address CalPA protests.

The programs areas that are slated to become statewide are currently cooperatively managed by the PAs but are not delivered uniformly by a third-party implementer—or implementers—that are under contract to the lead IOU PA that holds full decision-making authority. For this reason, the current set of programs are not statewide programs under the new definition. The PAs plan to

⁹ D.18-05-041 OP22

¹⁰ D.18-05-041 at 83

¹¹ D.18-05-041, OP 24

¹² Supplemental Advice Letters filed November 16 regarding the IOU's Shared Funding Mechanism Proposal Pursuant to D.18-05-041: Advice Letter 3268-E-A/2701-G-A (SDG&E U902 M), Advice Letter 5346-G-A (SCG U904 G), Advice Letter 3861-E-A (SCE U338 E), Advice Letter 5373-E-A/4009-G-A (PG&E U39 M).

conduct solicitations throughout 2019 to hire third party implementers to launch compliant statewide programs in 2020. Consequently, Energy Division finds that the statewide program issues raised in CalPA's protest are more appropriate to address in the context of the statewide co-funding advice letters and rejects CalPA's protest in that there are insufficient grounds to withhold approval of 2019 ABAL filings on the basis of the statewide program issues.

Administrative Costs

CalPA's October 4, 2018, protest asks the Commission to require each of the IOU PAs to minimize administrative costs, arguing that the IOUs must be out of compliance due to the perceived effect those costs, as filed on CEDARS, have on portfolio cost-effectiveness. CalPA also asks the Commission to require each IOU to file a supplemental advice letter that uses consistent accounting methods for administrative costs vis a vis portfolio cost-effectiveness with and without these costs. CalPA asks the Commission to request SCE to submit a supplemental advice letter that demonstrates compliance with budget caps for administrative and overhead cost categories.

CalPA asks that the Commission require:

- Each IOU to file a supplemental advice letter that uses consistent accounting methods for administrative costs vis a vis portfolio cost-effectiveness with and without these costs.
- SCE's supplemental advice letter to include a demonstrated compliance with budget caps for administrative and overhead cost categories.

SCE argues that its utility administrative costs, at either or close to 9.9% (depending on inclusion or exclusion of marketing and outreach costs) are compliant with the Commission's 10 percent cap, and that SCE's portfolio cost-effectiveness (TRC of 1.20) with administrative costs still surpasses the Commission's requirement that the Annual Budget Advice Letter be filed with a forecast TRC above 1.0. As evidenced by Attachment G in SCE's ABAL supplemental administrative costs are listed as \$9,802,836, out of a total budget of \$249,896,218, costs are in compliance with the Commission's 10 percent cap.¹³

The 10 percent cap from D.09-09-047 is set for IOU administrative costs only. SCE has calculated the IOU administrative cost cap in accordance with D.09-09-047 OP 13 which excludes associated non-IOU third party and local government partnership administrative costs. These programs include Emerging Technologies, Codes & Standards, Workforce Education & Training, programs supporting market transformation and non-resource programs that meet the requirements in D.09-09-047.

SCE argues in its response¹⁴ that CalPA may have misinterpreted the administrative costs in the Cost-Effectiveness Tool (CET) output. The CET output assumes a portfolio cost without any non-incentive costs, which means these costs increase the cost-effectiveness ratio.

¹⁴ Southern California Edison Company's Reply to Protests Filed to SCE Advice 3859-E

Discussion

While not under review in this instance, we note that PG&E's and SCE's responses to CalPA's protest that their administrative costs are non-compliant with the Commission's 10 percent cap are correct. As submitted on the Commission's Cost-effectiveness Tool (CET), IOU administrative costs include those required to be under the Commission's cap as well as those not subject to the cap. Consequently, when CalPA used the "TRC-no admin" filter to determine portfolio cost-effectiveness both with and without administrative costs, it received a misleading estimate of the magnitude of the effect "TRC-no admin" has on the portfolio and was led to believe that such an effect must mean that the IOUs are out of compliance with the Commission cap on administrative costs.

Additionally, SCE's responses to CalPA's protest provide clarification as to the specific administrative costs subject to the Commission's 10 percent cap. Consequently, due to issues related to how administrative costs are reported on the Commission's CEDARS website as well as guidance provided in the Energy Efficiency Policy Manual V5¹ on what costs are included and excluded in determining whether a PA meets the Commission's 10 percent administrative costs cap, Energy Division finds that the IOUs' ABALs are in compliance with CPUC rules on administrative costs and therefore rejects CalPA's protest.

The Council Protest and Reply Comments

ABALs Must Enable Third-Party Implementers to Commit New Projects Through 2019 By Accepting Enrollments and Extending Sufficient Budgets

The California Efficiency Demand Management Council (Council) filed a protest on October 4, 2018. The Council argues that the process for accepting new applications from existing programs helps develop new projects to meet the needs of the portfolio. Further, the Council states that this failure to extend program procurement to December 31, 2019 will impact SCE's ability to capture cost-effective energy savings.

The primary concern is that SCE will not enroll new projects under existing third-party contracts after December 31, 2018. Council staff states that without a mechanism to process applications for new projects, the existing implementers impacted by the removal of this mechanism will be limited to completing projects previously committed. Further, the elimination of this mechanism could impact SCE's ability to meet savings goals and meet the demand of the upcoming third-party solicitation requirement.

SCE responded to the Council's Protest on October 11, arguing that the programs are not cost-effective. SCE does not anticipate a significant impact on their savings by halting applications for new projects. Moreover, SCE points out that existing implementers can submit new projects through existing programs, such as the core calculated programs.

Discussion

D. 18-01-004 clearly states that the IOUs can extend existing contracts until new contracts are in place.¹⁵ The other program administrators have opted to extend existing contracts until

¹⁵ D.18-01-004 (pp. 56)

12/31/2019. Energy Division staff agrees that while we should consider program continuity while the solicitations are underway, per D.18-05-041 the utilities must work to improve the cost effectiveness of their portfolios. Therefore, starting with the programs listed in their ABAL, Energy Division staff directs SCE to continue to accept applications until 12/31/19 for select third party programs that are able to show evidence the program is operating with a TRC > .85.¹⁶ Any program selected should make program improvements that will increase their TRC to a 1.0. This complies with both D.18-01-004 and D.18-05-041 and is consistent with General Order (GO) 96-B, Section 7.6.1.

Local Government Sustainable Energy Coalition (LGSEC) Protest and Reply Comments

Changes to Local Government Partnerships (LGPs) are beyond the scope of the AL process

LGSEC argues that the sweeping changes proposed by the IOUs' ABALs are beyond the scope of the AL process, including: the IOUs' plan that all future LGPs will result from competitive solicitations and implemented by third parties, that all LGPs must be cost-effective under the TRC test and that non-resource LGPs will be severely curtailed or eliminated.¹⁷ LGSEC adds that these changes are inappropriate for dispositions by Energy Division staff because these proposals have not been reviewed and approved in any previous Commission proceeding.¹⁸ LGSEC also states that instead of working with LGPs, the IOUs have begun implementing drastic program funding cuts and program eliminations.

Discussion

According to D.18-05-041 the "standard of review for staff disposition of the ABALs does not include review of program administrators' decisions on reducing, cancelling, expanding or adding individual programs or program areas."¹⁹ Energy Division staff understands this decision language to state that changes to programs or offerings should not be grounds for rejecting a PA's ABAL. However, D.15-10-028, Section 3.2.2.33, which describe the purpose of the ABAL, states "if a PA departs in significant ways from that PA's most recent budget, the PA can expect a higher degree of scrutiny from Commission Staff, and possibly a suspension of the advice letter."²⁰ Thus, while Energy Division staff is not required to review program changes, D.15-10-028 allows Energy Division staff to scrutinize changes to programs and budgets that significantly deviate from prior years approved budget. Energy Division staff also notes that D.15-10-028, which adopted the rolling portfolio cycle clearly states that the ABAL is where the PAs would file an annual report on "portfolio changes, annual spending and fund shifts (OP 4)."²¹ Energy Division staff reviewed the changes to SCE's budgets for LGPs from 2017-2018 and found that that none of SCE's LGPs are cost-effective, but SCE increased their budgets for LGPs significantly in 2019, compared to 2018. While many individual LGPs had dramatic increases or decreases to their budgets, overall SCE's budget dedicated to LGPs increases by

¹⁶ .85 is the TRC threshold used for the Potential and Goals study

¹⁷ LGSEC protest to the ABALs of PG&E, SCE, SDG&E, SoCalGas in Proceeding R.13-11-005, pgs 1 and 2.

¹⁸ LGSEC protest, pg. 4.

¹⁹ D.18-05-041, pg. 138.

²⁰ D.15-10-028, pg. 10.

²¹ D.15-10-028, OP 4.

about 30%.²² Thus, Energy Division staff rejects LGSEC's protests that increased budget for SCE are either "sweeping" or the changes proposed go beyond the scope of the ABAL.

Changes proposed by IOUs' ABALs for LGPs are out of compliance with D.16-08-019 OP 14

LGSEC states that the IOUs' ABALs ignore the Commission mandate in D.16-08-019, OP 14, which states "PA's shall ensure a smooth transition between existing energy efficiency program activities and the changes outlined in this decision, to be proposed in the business plans due January 15, 2017, to minimize program disruptions and avoid any funding hiatus for ongoing efforts or partnerships."²³ LGSEC believes both the budget cuts to the LGP programs and move to competitively bid out LGPs to Third-Party competitive solicitation are out of compliance with OP 14 of D.16-08-019.²⁴

Discussion

As noted in the previous section of this disposition, the "standard of review for staff disposition of the ABALs does not include review of program administrators' decisions on reducing, cancelling, expanding or adding individual programs or program areas." Staff interprets the plain language of this decision to include IOU decision-making on whether to competitively solicit programs to third parties, award sole source contracts to third parties or continue to administer their own programs, provided that the IOUs comply with the schedule by which the IOUs shall allow 3rd Parties design and implement programs provided in OP1 of D.18-01-004. Thus, Energy Division rejects the claim by LGSEC that the third-party solicitation proposal by the IOUs is out of compliance with OP 14 of D.16-08-019 as the Joint Parties claim.

IOUs did not work with local governments on improving cost-effectiveness

LGSEC claims that despite OP 30 of D.18-05-041 requiring the IOUs to work with local governments to improve cost effectiveness, compliance with this OP has not yet occurred.²⁵ LGSEC adds that instead of working with LGPs, PAs have begun implementing drastic program funding cuts or eliminations, and specifically that SCE has shifted funding out of its Energy Leader program, a centerpiece of SCE's Business Plan.²⁶ SCE replied that LGSEC's assertion that SCE is not working with LGPs is incorrect, SCE adds that while none of SCE's LGPs is cost-effective, SCE is proposing to continue all LGPs in 2019.²⁷

Discussion

Energy Division staff agrees with LGSEC that SCE has not addressed in its ABAL how they would comply with the requirements of the OP 30 of D.18-05-041, which required the IOUs to work with local governments on improving cost-effectiveness. However, Energy Division refers to Section 7.2 of D.18-05-041, which includes the criteria for approving the ABALs.

²² See CEDAR budgets for SCE's Energy Leadership Partnerships as proposed in 2017 and 2018 at: <https://cedars.sound-data.com/filings/dashboard/SCE/2019/>.

²³ D.16-08-019, OP 14.

²⁴ LGSEC protest, pg. 2.

²⁵ LGSEC protest, pg. 3

²⁶ SCE reply to protest of LGSEC in Proceeding R.13-11-005, pg. 6.

²⁷ Ibid

We note that this section does not require the IOUs to include a plan for working with their local governments to improve cost-effectiveness as part of Energy Division's review of the IOUs' ABALs. In addition, OP 30 of D.18-05-041 does not include a date for compliance with this requirement or state how the IOUs should demonstrate compliance with the requirement. Thus, we reject LGSEC's protest, but remind SCE that the IOUs must demonstrate compliance with D.18-05-041 OP 30 by working with local governments on cost-effectiveness.

IOUs did not quantify non-energy benefits provided by LGPs

LGSEC also points out there are co-benefits or local economic benefits from LGPs delivering programs to hard-to-reach (HTR) and disadvantaged communities (DACs) are not quantified in the IOUs' ABALs.

Discussion

As to LGSEC's claims that the IOUs' ABALs failed to address co-benefits or local economic benefits of LGPs for HTR and DAC in the IOU ABALs, Energy Division staff notes that this requirement was part of the IOUs' Motion for Standard Terms and Conditions for LGPs. This motion included how the IOUs' planned to quantify co-benefits or local economic benefits of LGPs for HTR and DACs, was submitted to the Commission on August 18, 2018, and parties provided input via comments on the motion. This issue will be addressed via the motion and consider party comments, but not through the ABAL review process and thus we reject LGSEC's protest.

Energy Atlas

Finally, LGSEC claims that the IOUs did not include sufficient detail on the expansion of Energy Atlas, designate a lead utility or any specific information on funding allocations for Energy Atlas.²⁸ SCE provided this information in the 2019 Supplemental Advice Filing.²⁹

Discussion

SCE was selected as the utility lead for Energy Atlas and stated an anticipated budget and a projected timeline for awarding the contract to a third-party implementer. The timeline suggests that the implementer will be awarded a contract and Energy Atlas expansion work will begin in 2020. It is Energy Division staff's view that the supplemental have provided more than adequate detail on Energy Atlas to satisfy LGSEC's protest and thus we reject the protest by LGSEC.

The Utility Reform Network Protest and Reply Comments

Over-reliance on savings from Home Energy Reports

On October 4, 2018, The Utility Reform Network (TURN)³⁰ filed its protest of SDG&E, PG&E, SoCalGas, and SCE ABALS in which it expresses concerns regarding the IOUs' respective

²⁸ LGSEC protest, pg. 3.

²⁹ SCE reply, pg. 6.

energy savings forecasts, the predominance of energy savings from Home Energy Reports, and how a failure to achieve savings from this behavior program may negatively affect the IOUs' respective portfolio TRCs for 2019.

TURN does not ask the Commission to reject the IOUs' ABALs based on the reliance of behavior programs in the 2019 energy savings forecasts. Instead, TURN proposes that, if the Commission is "inclined to approve the 2019 ABALs of PG&E, SCE, SoCalGas and SDG&E," that the approval include the requirement that the IOUs submit a mid-year progress report on the performance of their behavior programs relative to their 2019 energy savings forecasts as presented in their respective ABALs.

In SCE's response to respective responses ask the Commission to reject TURN's request for SCE to file a mid-year Tier 1 advice letter update on behavior programs, stating that an additional advice letter is unnecessary and burdensome, as the information TURN requests is available to all stakeholders in the monthly and quarterly reports that the IOUs file with the Commission on its public data website, the California Energy and Data Reporting System (CEDARS).

Discussion

The Commission requires the IOUs to file monthly and quarterly reports to CEDARS, the Commission public data repository. The monthly reports provide program level information on gross and net savings achieved by a program in the given report month, as well as a year-to-date total for gross and net savings. The quarterly reports present a more refined variant of the same information presented in the monthly reports and represent the IOUs' "official" program savings claims for the quarter. TURN has full access to these data going back to the inception of the Home Energy Reports program in 2012.

Lastly, the Commission has evaluated various IOU Home Energy Reports programs from the 2010-2012 program cycle up to and through program year 2015; these evaluations are available on the CalMAC website (www.calmac.org), which is the repository of all Commission- and IOU-led evaluations (market, process and impact) dating back to the early 2000s.

Consequently, because of the abundance of program-level information for the IOUs Home Energy Reports program, including multiple impact evaluations from prior-program years, as well as the ABAL review process and parallel desire to reduce regulatory burden, the Commission rejects TURN's request that the IOUs file a mid-year advice letter on behavior program progress.

Primary Lighting Program

In recent years, SCE has shipped large volumes of bulbs through its Primary Lighting Programs, especially to small retailers, and claimed saving for all shipped bulbs. However, a large

³⁰ SCE Reply -TURN protest, pg.4

proportion of these bulbs do not get sold, and therefore do not contribute to savings, see “Upstream and Residential Downstream Lighting Impact Evaluation Draft Report” (2017)³¹. The 2019 Primary Lighting program budget request is sustained at the 2018 level. The funds requested for the Primary Lighting Program are approved on the condition that:

- With its first monthly report filing following the approval of its ABAL, SCE shall provide an annual sales plan for the remainder of the year backed with market sales data,³² for each of the lighting measures delivered through the Primary Lighting Program. The plan must include monthly sales projections based on year to date actual sales data from “Point of Sale” retailers and/or other delivery channels used in the program. The plan must also explain what steps SCE is taking to ensure that there is minimal free ridership in the program to increase the probability of the evaluated TRC not being significantly less than the claimed TRC.
- For each monthly report filing thereafter following the approval of this supplemental ABAL, SCE shall provide verifiable data of number of units sold (which more accurately reflects savings achievable from program than number of units shipped) within its Primary Lighting Program in that month. SCE shall upload the data on a publicly accessible website and share the weblink, along with a link to its monthly CEDARS filing with all appropriate listservs.

Please contact Mona Dzvova (mona.dzvova@cpuc.ca.gov) if you have any questions.

Sincerely,



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
George Tagnipes, Energy Division
Alison LaBonte, Energy Division
Michael Campbell, Public Advocates Office

³¹ “Upstream and Residential Downstream Lighting Impact Evaluation Draft Report”- Program Year (2017)- <https://pda.energydataweb.com/#!/documents/2146/view>

³² We understand that no market data is perfect. However, since SCE relies heavily on Primary Lighting for achieving a significant portion of savings goal, SCE shall undertake the additional work to collect historic and current sales data from third party vendors and/or retailers

Daniel Buch, Public Advocates Office
Henry Burton, Public Advocates Office
Arthur Haubensstock, The California Efficiency and Demand Management Council
(CEDMC)
Hayley Goodson, The Utility Reform Network
Irene Moosen, on behalf of the Local Government Sustainable Energy Center