

## PUBLIC UTILITIES COMMISSION

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Southern California Edison Company  
8631 Rush Street  
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December 28, 2020

Dear Dr. Stern:

Energy Division rejects Southern California Edison's (SCE) Annual Budget Advice (ABAL) Letter 4285-E and 4285-E-A, pursuant to the ABAL review criteria laid out in Decision (D.) 18-05-041, which addressed the energy efficiency business plans, but for reasons explained herein, we approve SCE's proposed budget request of \$164,029,118 for 2021, effective January 1, 2021.

SCE's ABAL is rejected because it failed to meet its demand goals, forecasting 84 percent of the goal. 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 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 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 program administrator 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 PAs 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's ABAL is rejected, we rely here on the July Ruling to approve SCE's spending budget and cost recovery request.

Accordingly, the Energy Division approves SCE's spending budget request of \$164,029,118 for 2021 to administer energy efficiency programs is approved, effective January 1, 2021.<sup>3</sup> As proposed

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<sup>1</sup> See Ruling, p. 9, at

<sup>2</sup> Ibid.

<sup>3</sup> SCE's total proposed spending budget for 2021 is \$164,029,118, less unspent and uncommitted funds from 2019 and prior years of \$59,385,000, resulting in a total budget recovery request of \$104,644,118. The authorized total PA budget recovery request [SCE + Regional Energy Networks (RENs)] is \$121,673,419. Additionally, SCE's supplemental advice letter reflects SCE's decision to reserve PY2020 unspent uncommitted funds for AB841 programmatic activity. Consequently, SCE's budget recovery request is not reduced by the carryover of those funds, as was done in prior program years via the ABAL process.

by SCE, this budget, though it does not meet energy savings goals, represents the “good faith” effort envisioned by the California Public Utilities Commission (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, SCE filed its Annual Budget Advice Letter (ABAL) 4285-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 a protest of SCE’s ABAL 4285-E, while the California Efficiency and Demand Management Council (Council) filed its response. On October 8, 2020, SCE filed its response (reply) to the Council’s response to, and Cal Advocates and SBUA protests of, ABAL 4285-E. On November 20, 2020, SCE filed its supplemental, 4285-E-A, replacing 4285-E in its entirety.<sup>5</sup>

## **2. Cal Advocates Protest and SCE Reply Comments**

Cal Advocates’ protest included three items directed at SCE’s 2021 ABAL that ask the CPUC to:<sup>6</sup>

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

### **2.1. 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’s ABAL. Specifically, D. 18-05-041 states that a PA’s 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, SCE does not forecast a program year 2021 portfolio

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

<sup>5</sup> SCE’s supplemental Advice Letter 4285-E-A, received on November 20, 2020, provided updated information regarding energy efficiency programs procured but not contracted prior to the September 1, 2020, ABAL 4285-E filing date, including: filing budgets for the Residential, Commercial, and Industrial sectors; new programs and descriptions for PY 2021; and updates to the third-party forecast including updates to statewide lighting.

<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.

that meets its demand savings goals. Consequently, Cal Advocates stated that the CPUC must reject SCE's ABAL 4285-E and asked the CPUC to require SCE to file a supplemental ABAL that meets the requirements set forth in D. 18-05-041.<sup>7</sup>

In its reply, SCE recognized that its 2021 portfolio does not meet the demand savings goals, which while cost-effective, is not in compliance with D.18-05-041. SCE argued that it should not be required to file a supplemental as suggested by Cal Advocates<sup>8</sup>. Furthermore, SCE stated "that its method to forecast cost effectiveness is reasonable and it made its best effort to produce a cost-effective portfolio that meets energy savings goals with a forecast of 1.00 TRC providing 108 percent of the required energy savings and 84 percent of the required demand reduction." Moreover, SCE predicts that its portfolio will be more cost-effective as a greater portion of the portfolio transitions to programs designed and delivered by third party implementers, as existing programs close and new third-party programs ramp up.

## 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. SCE's 2021 ABAL, as filed, does not meet the demand savings goal.<sup>9</sup>

However, the CPUC's July Ruling provided guidance for CPUC 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>10</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, SCE does not need to file a supplemental ABAL that meets all ABAL review criteria laid out in D. 18-05-041 and SCE's spending budget request for program year 2021 is approved.

## **2.2. COVID-19 Impacts**

In its protest, Cal Advocates argues 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>11</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

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

<sup>8</sup> SCE's Response to Protests and Responses to Advice 4285-E, p.1

<sup>9</sup> SCE's Response to Protests and Responses to Advice 4285-E, p.16

<sup>10</sup> See Ruling, p. 9.

<sup>11</sup> See Cal Advocates Protest, pp. 6-7.

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>12</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>13</sup>

To that end, Cal Advocates' protest highlighted SCE's sector-level budgets<sup>14</sup> for 2021, noting that approximately \$35.8 million (out of a total \$131.5 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 SCE (and all PAs) to reduce spending on non-cost-effective sectors and programs.<sup>15</sup> In order to achieve those ends, Cal Advocates recommended that SCE reduce Agriculture, Industrial, Commercial and Public sector budgets by 100 percent, 5 percent, 10 percent, and 21 percent, respectively, and reallocate those funds (approximately \$7 million) to the Residential sector.<sup>16</sup>

In its reply, SCE focused on three points, but did not directly respond to the issue of the impact of COVID-19 on the 2021 portfolio, stating only that the July Ruling recognized the "unprecedented impacts of COVID-19." With respect to Cal Advocate's suggestion that the "Commission require PAs to modify their portfolios to improve cost-effectiveness and allocate more resources to the residential sector", SCE did not argue that additional resources should not be allocated to the Residential sector. Instead, SCE cited its 2021 forecast that shows that Residential, Commercial and Industrial (RCI) sectors will be more cost-effective than other sectors.

## 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, Energy Division recognizes that, in SCE's role as a PA and manager of its respective portfolio, SCE's 2021 Residential sector forecasted budget of approximately \$45.8 million is suitable and designed to address the needs of customers at this time. SCE's 2021 Residential sector budget is 28 percent of SCE's total 2021 forecasted portfolio budget. The \$5 million decrease from the 2020 total forecasted budget is reflected primarily in SCE's portfolio management decisions, including the

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<sup>12</sup> Ibid.

<sup>13</sup> Ibid.

<sup>14</sup> See Cal Advocates Protest, Table 2, p. 7. (Sectors include Agriculture, Industrial, Commercial, Cross-cutting, Residential, and Public.)

<sup>15</sup> See Cal Advocates Protest, p. 9.

<sup>16</sup> See Table 6, Cal Advocates Protest, p. 10.

decision to close 14 non-cost-effective Residential programs to create space for new third-party programs.<sup>17</sup> This includes reducing the budget of the Residential Direct Install program by 70 percent. Cal Advocates argues that the CPUC should require SCE to reallocate certain non-cost-effective sector-level budgets to the Residential sector.

SCE is closing 14 programs in all sectors with a total budget decrease of approximately \$36 million for 2021. These program closures include three industrial programs with a total budget decrease of \$8.4 million. Other existing programs' budgets will decrease by 40 percent and eventually be replaced by new third-party programs, while some existing budgets increase by 40 percent or more from the 2020 budget. SCE's request to close these programs indicates three primary reasons: improve cost-effectiveness, reduce spending on non-resource activities, or replacement by new local or statewide third-party program. While Cal Advocates argues that the CPUC should require SCE to reallocate certain non-cost-effective sector-level budgets to the Residential sector, SCE 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, SCE is not required to file a supplemental ABAL that reallocates budgets from non-Residential sectors to the Residential sector and SCE's 2021 ABAL is approved as filed in supplemental 4285-E-A.

Finally, as stated in D. 18-05-041, SCE must host a stakeholder workshop "...to explain why it failed to meet the approval criteria." In this workshop, SCE 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 SCE 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**

In its protest, Cal Advocates argued that the CPUC should require PAs to file a supplemental ABAL to standardize accounting and reporting of unspent and uncommitted funds and use of ABAL templates. Cal Advocates points to Budget Filing Appendix Table 3a, which contains a line for unspent/uncommitted program carryover funds from 2020. However, some PAs have altered this line in their 2021 filings. Cal Advocates specifically states that "SCE uses this line item to account for carryover funds from "Pre-2020." Cal Advocates argues that the CPUC should require PAs to file supplemental ABALs revising these tables accordingly.

SCE's reply did not address Cal Advocates specific protest regarding unspent and uncommitted funds.

### **Discussion**

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<sup>17</sup> See Attachment G2 "Program Level Explanations", in SCE Advice Letter 4285-E

In a review by Energy Division staff, the Appendix that accompanies SCE's PY 2021 ABAL does not provide an explanation that clarifies the discrepancy highlighted in Cal Advocates' protest. However, after Energy Division review, and a subsequent meeting between Energy Division and SCE staff, SCE corrected this line item to account for unspent and uncommitted funds in its supplemental<sup>18</sup>.

### **3. The Council's Response and SCE Reply Comments**

The Council filed its response to SCE ABAL 4285-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 recommended 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>19</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 claims 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 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>20</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 effects on the portfolio at large, and asked the CPUC to:

- immediately allow existing programs to submit new cost-effective project applications;
- 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;
- reject SCE proposal to close three existing third party industrial programs due to cost-effectiveness issues; and,

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<sup>18</sup> SCE ABAL 4285-E Supplemental , p.14

<sup>19</sup> See Response of California Efficiency + Demand Management Council (Council Response), October 1, 2020, p. 2.

<sup>20</sup> See Council Response, p. 3.

- require programs to remain open until new programs are up and running.

The Council recommended that the IOU 2021 ABALs be “modified” to incorporate the Council’s proposed changes.

On October 8, SCE responded (reply)<sup>21</sup> to the Council’s response stating that it will close<sup>22</sup> three industrial programs identified in the response: Primary and Fabricated Metals, Nonmetallic Minerals and Products, and Comprehensive Petroleum Refining, but not until new third-party programs are available. SCE clarified “it will not close programs if such closures result in a gap in the market” and further states that leaving programs open would “result in additional spend on non-cost-effective programs.”

## Discussion

The Council’s response is similar to concerns it 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>23</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 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.

Regarding SCE’s proposed program closures for 2021, those appear to be reasonable including the three industrial programs identified in the Council’s response. The table below lists the industrial programs identified in the Council’s response with historic TRCs that are well below the the CPUC’s criteria and guidelines for 2018 and 2019.

Program Name	2017 TRC	2018 TRC	2019 TRC
Primary and Fabricated Metals	1.12	0.65	0.40

<sup>21</sup> See SCE’s Response to Protests and Responses to Advice 4285-E

<sup>22</sup> See SCE’s Response to Protests and Responses to Advice 4285-E p.5

<sup>23</sup> See CPUC Letter to California Efficiency + Demand Management Council, February 4, 2020, pp. 1-2.

Nonmetallic Minerals and Products	3.55	-0.25	0.75
Comprehensive Petroleum Refining	2.59	0.17	-0.28

2017-2019 TRC calculation is based on actual claimed savings and includes 5% market effect  
*Data from SCE 2021 ABAL Attachment E, p. 1-4*

In addition to the request to close the three industrial programs, SCE asked for “Commission Staff approval to close the Multifamily Energy Efficiency Rebate Program as it is no longer cost effective because most of its measures moved to Codes and Standards, making them ineligible for savings.”<sup>24</sup> Energy Division further understands that the Multifamily Energy Efficiency Rebate Program closed due to the absence of any future cost-effective electric measures for the multifamily property segment with a 2019 TRC of 0.77. The 2020 budget for this program was \$4.9 million.

D. 18-01-004 clearly states that the IOUs can extend existing contracts until new contracts are in place.<sup>25</sup> However, the IOUs face competing challenges of avoiding market gaps and maintaining a cost-effective portfolio. While the PAs’ administrative role has shifted, SCE is still responsible for the cost-effectiveness of its portfolio. SCE is closing 14 programs in 2021 with low TRCs that range from 0.01 to 0.77 and those where more cost effective solutions will come from third party solicited contracts<sup>26</sup>. SCE’s portfolio TRC of 1.00 meets the CPUC’s directive but means SCE must continually modify and balance the portfolio as new third-party programs ramp up and existing programs ramp down, while balancing the required cost-effectiveness, savings goals, budgets, and budget caps and targets with uncertainty factors such as COVID-19.

The Energy Division expects that any decision to close certain programs should be the decision of the PA but based on an analysis of all factors including: TRC, incentive structure, number of participants, and meeting savings goals and possible potential, meaning programs should only be closed after careful PA review.

CPUC staff review of ABALs does not require “approval” or “rejection” of PA’s decisions on program closures. Therefore, we decline to outright approve or reject SCE’s request for approval of program closures for 2021.<sup>27</sup>

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

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<sup>24</sup> See SCE 2021 ABAL 4582-E, p. 22

<sup>25</sup> D.18-01-004 (pp. 56)

<sup>26</sup> See SCE 2021 ABAL 4582-E, Attachment G, Program-Level Explanation

<sup>27</sup> D.18-05-041, p.127. While PA’s are required to include a discussion of proposed program and portfolio changes to facilitate CPUC staff’s review of the ABAL and allowing PAs to illustrate their ability to analyze and optimize their portfolio “There will be minimal to no review/oversight by staff of the provided information”. Specifically, D.18-05-041, p. 134, states 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.”

parameter updates approved by the CPUC in the August 2020 DEER resolution do not go into effect until program year 2022.

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

#### **4. SBUA Protest and SCE Reply Comments**

SBUA's protest raised two issues that are specific to SCE's 2021 ABAL:

- Investor-owned utilities must 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 highlights 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>28</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 asks that Energy Division require the IOUs and RENs to comply with D. 18-05-041 and refile their respective ABALs "with an analysis and plans that demonstrate coordination and effective plans to serve commercial HTR customers"<sup>29</sup>

SCE did not respond directly to SBUA's request for all PAs to file supplemental ABALs that demonstrate their respective plans to serve commercial HTR customers.

#### Discussion

The annual JCM memos are filed annually by each PA (except SDG&E<sup>30</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, SCE 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 requests that PAs be required to break out data for residential and commercial customers into subgroups:

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<sup>28</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.

<sup>29</sup> Ibid

<sup>30</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.

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

In addition, SBUA recommends that PAs be required to adopt SDG&E's approach of presenting information on rate impacts for each customer sub-class, which SBUA argues would improve stakeholder and CPUC staff understanding of whether and how PA program activities are targeting customer classes that face significant participation barriers.<sup>31</sup>

SCE did not reply to SBUA's protest regarding customer sub-class data.

## Discussion

Energy Division points out that , this ABAL review was explicitly envisioned as a “ministerial,”<sup>32</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 ask SCE 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 Mona Dzvova ([mona.dzvova@cpuc.ca.gov](mailto:mona.dzvova@cpuc.ca.gov)).

Sincerely,



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

Cc: Service Lists R. 13-11-005 and A.17-01-013  
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<sup>31</sup> See SBUA Protest, pp. 7-8.

<sup>32</sup> See D. 15-10-028, p. 60

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