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# Regulatory Update: Mass Market ES&S

## Energy Efficiency

November 19, 2010



# Regulatory Update

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- 2010-2012 Program Performance Metrics (PPMs)
- Possible Extension of 2010-2012 Program Cycle
- Proposed Decision on IOU Petition For Modification
- 2006-2008 RRIM True Up PDs
- 2010-2012 RRIM Proposed Decision

# Resolution on Program Performance Metrics (PPMs)

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- Draft Resolution issued November 2
- Resolution would approve PPMs for PG&E, SCE, Southern California Gas Company and SDG&E for 2010-2012 statewide energy efficiency programs and subprograms.
- Resolution also proposes initial Market Transformation Indicators for these same statewide programs and subprograms and requests comment.
- Includes about 82 Metrics – mostly reporting
- IOUs will submit joint comments

# Extension of EE Program Cycle & Post 2010-2012 Goals

- ACR issued on November 17<sup>th</sup>
  - Proposes to “adjust schedule” to allow time for updating of EE goals
  - Requests comments on Energy Division (ED) whitepaper and recommendations
  - Driver: Desires more input on cost effectiveness of 2010-2012 elements
- ED White Paper
  - Seeks response to 8 questions (pros and cons of options)
  - Option A:
    - Adhere to plan for 2013-2015 cycle
    - Retain three-year cycle
  - Option B: (recommended)
    - Allow for extension through 2013
    - Shift to a four year cycle - 2014-2017

# Proposed Decision and APD on IOU's Petition for Modification

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- PD Summary
  - Freezes ex ante values based on 2008 DEER v 2.05 and requires IOUs to work with Energy Division for all non-DEER HIMs
- APD Summary
  - Freezes ex ante values based on 2008 DEER v 2.05 and approves all previously submitted IOU work papers (11/16/10)
- Common Elements
  - Requires all IDSM advertizing to be co-branded with “Engage 360”
  - Lowers expectations of Whole House Program and adjusts incentive level for multi-family (\$200)

# 2006-2008 RRIM True Up

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- Proposed Decision (PD) of ALJ Pulsifer
  - Concludes goals not met and applies 0% savings rate
- Alternate PD from Commission Bohn
  - Awards PG&E an additional \$40 million
  - Applies contentious ex post data & applies 9% savings rate
- Alternate PD of President Peevey (preferred)
  - Awards PG&E an additional \$29.1 million in earnings
  - Disallows contentious Energy Division evaluation report
  - Reverts to ex ante values
  - Disregards 0%/9%/12% MPS and uses 7% applied savings rate

# 2010-2012 RRIM Proposed Decision

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- Locks in ex ante values
- Uses a cost benefit approach rather than MPS steps
- No penalties
- Eliminates cumulative effects
- No 2009 incentives
- Sets earns cap at \$190 million (\$75 million likely for PG&E)
- Earnings rate at 5.4%
- IOUs need to file annually to claim earnings (September)