

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Develop
the Commission's Energy Efficiency
Strategic Plan.

FILED
PUBLIC UTILITIES COMMISSION
JULY 10, 2008
SAN FRANCISCO, CALIFORNIA
RULEMAKING 08-07-011

ORDER INSTITUTING RULEMAKING

1. Summary

We open this rulemaking in continuation of our efforts to ensure efficient use of energy resources in California through development of a Commission-sponsored California Strategic Plan for Energy Efficiency through the year 2020 and beyond. This proceeding is consolidated with Application 08-06-004, the Joint Utility Application proposing a California Energy Efficiency Strategic Plan.

2. Purpose of Proceeding

The purpose of this proceeding is to develop a Commission-sponsored California Strategic Plan for Energy Efficiency (CPUC Strategic Plan) from now through 2020 and beyond.

On June 2, 2008, Southern California Edison Company (SCE), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E) and Southern California Gas Company (SCG) (collectively, the Utilities) jointly filed Application (A.) 08-06-004, proposing a California Energy Efficiency Strategic

Plan (CEESP). This filing was ordered by Decision (D.) 07-10-032.¹ In their joint filing, the Utilities proposed statewide goals, outcomes and strategies that they believe will positively affect the wide-ranging energy market decisions occurring everyday in California and beyond. The CEESP application resulted from a collaborative process among a broad set of stakeholders, a process involving dozens of workshops and hundreds of participants. The Utilities worked closely with the Commission's Energy Division in crafting the CEESP application.

We appreciate the considerable efforts the Utilities and stakeholders undertook to develop the CEESP application. The assigned Commissioner and ALJ will thoroughly review the application and parties' comments. However, instead of approving, rejecting or modifying the Utilities' CEESP application, we wish to incorporate the tremendous efforts made by all of the participants into a Commission-approved plan, on behalf of the state of California. This rulemaking will allow for development of a record and consideration of ideas above and beyond the detailed strategies and implementation plans discussed in the Utilities' CEESP application.

Because of the importance to California of developing far-sighted, robust energy efficiency programs, we want to be able to embrace an energy efficiency strategic plan as our own. A Commission Strategic Plan has the benefit of signaling our ongoing commitment to a long-lasting vision of continuous improvement, whether through utility programs we authorize, partnerships with other governmental agencies, or other important public initiatives. We intend to

¹ D.07-10-032, Ordering Paragraph 4, called for this filing to be made on May 15, 2008. This date was subsequently changed to June 2, 2008 by an Assigned Commissioner and Administrative Law Judge's (ALJ) Ruling dated May 5, 2008.

lead the way to achieve the next generation of energy efficiency through all possible means at our disposal. To accomplish this, we intend to undertake and engage actions by leaders and stakeholders both within our regulatory jurisdiction and beyond.

In order to provide a procedural vehicle to consider the CEESP application as part of a larger CPUC Strategic Plan, we open this companion Rulemaking. We also consolidate this proceeding with A.08-06-004. All record documents in the Joint Utility application are also consolidated with this proceeding, including all attachments to the June 2, 2008 filing. This allows us to build upon the work already accomplished in bringing forth the CEESP application.

Rulemaking (R.) 07-01-042, the ongoing low-income energy efficiency rulemaking, has remained open solely to consider the strategic plan. This rulemaking closes R.07-01-042 because strategic plan issues will now be considered in this consolidated proceeding.

3. Preliminary Scoping Memo

In this Preliminary Scoping Memo, we briefly describe the issues to be considered in this proceeding. The timetable is set forth below, in Section 5 of this order. The issues in this proceeding are:

- What strategies encompassed in the CEESP application should be adopted in a Commission Strategic Plan?
- What strategies delineated in the CEESP application should be modified for adoption in a Commission Strategic Plan, and how?
- What strategies not discussed in the CEESP application should be added and adopted in a Commission Strategic Plan?

- What strategic roles should the Commission take in working with other governmental agencies and other non-jurisdictional stakeholders in support of a Commission Strategic Plan?
- What market transformation strategies, including new or different organizational structures, should a Commission Strategic Plan address or contemplate?
- How should a Commission Strategic Plan coordinate energy efficiency plans with demand response plans and solar programs?
- What specific low-income energy efficiency strategies should be encompassed in a Commission Strategic Plan?
- What process should be used to update the Commission Strategic Plan?

In order to answer these questions, the assigned Commissioner and ALJ will first consider the July 9, 2008 comments and/or protests to the CEESP application, and subsequent Joint Utility reply. We anticipate a staff document with an initial draft of a potential Commission Strategic Plan will be issued for comment in early July through a Ruling. A prehearing conference (PHC) and workshop will be held on July 18, 2008² to discuss issues raised by the CEESP application, the staff draft Commission Strategic Plan and the issues in this Rulemaking. Comments and reply comments will be taken on the staff draft Commission strategic plan. We anticipate a Commission decision in September 2008. The assigned Commissioner and ALJ will determine the exact schedule for the proceeding in a subsequent scoping memo.

² This PHC and workshop was noticed to the public on June 30, 2008.

4. Proceeding Category and Need for Hearing

Rule 7.1(d) of the Commission's Rules of Practice and Procedure (Rules) specifies that an order instituting rulemaking will preliminarily determine the category of the proceeding and the need for hearing. Pursuant to Rule 7.1(e), we determine that this proceeding is quasi-legislative as defined in Rule 1.3(e).³ It appears that the issues may be resolved through comments and workshops without the need for evidentiary hearings.

5. Schedule, Initial Comments

To assist the assigned Commissioner in preparation of the Scoping Memo, we will provide for the filing of initial comments on July 17, 2008. Comments should address the following:

- Identification of the party and interest of the party in this proceeding. (See Rule 1.4(b).)
- Any objections to or recommendations regarding this order's determinations as to categorization of the proceeding as quasi-legislative, the need for hearing, issues to be considered, or scheduling. (See Rule 6.2.)

We anticipate a final decision in September 2008. In any case, this proceeding will conform to the statutory case management deadline for quasi-legislative matters set forth in Pub. Util. Code § 1701.5. In particular, it is our intention to resolve all relevant issues within 18 months of the date of the assigned Commissioner's Scoping Memo.

³ A.08-06-004 has been categorized as quasi-legislative.

6. Parties and Service List

We will provide for service of this order on the service list for R.06-04-010, (the ongoing energy efficiency rulemaking), R.07-01-042 (the ongoing low-income energy efficiency rulemaking) and A.08-06-004 (the Joint Utility CEESP application). We will consolidate this proceeding with A.08-06-004. All parties on the service list for R.06-04-010 and R.07-01-042 are hereby made parties to this proceeding.

Any person not on the above service lists, or on the service list of A.08-06-004, which is consolidated with this proceeding, who wishes to participate, shall file a motion to become a party pursuant to Rule 1.4 or make an appearance at the first PHC.

7. Public Advisor

Any person or entity interested in participating in this rulemaking (who is not already a party in A.08-06-004, R.06-04-010 or R.07-01-042) and is unfamiliar with the Commission's procedures should contact the Commission's Public Advisor in San Francisco at (415) 703-2074 or (866) 849-8390 or e-mail public.advisor@cpuc.ca.gov; or in Los Angeles at (213) 576-7055 or (866) 849-8391, or e-mail public.advisor.la@cpuc.ca.gov. The TYY number is (866) 836-7825.

8. Intervenor Compensation

Any party that expects to claim intervenor compensation for its participation in this rulemaking, and which has not already done so in A.08-06-004, shall file its notice of intent to claim intervenor compensation no later than 30 days after the first PHC.

9. *Ex Parte* Communications

Communications with decision-makers and advisors in this rulemaking are governed by Article 8 of the Rules of Practice and Procedure. (See Rule 8.4(b) and Rule 8.2(a).) Pursuant to Rule 8.2(a), *ex parte* communications are allowed without restriction or reporting in a quasi-legislative proceeding.

IT IS ORDERED that:

1. In accordance with Rule 6.1 of the Rules of Practice and Procedure (Rules), the Commission institutes this rulemaking on its own motion in continuation of efforts to ensure efficient use of energy resources in California through development of a Commission-sponsored California Strategic Plan for Energy Efficiency through the year 2020 and beyond.
2. This proceeding is consolidated with Application (A.) 08-06-004.
3. Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company and San Diego Gas & Electric Company are named as respondents and are parties to this proceeding pursuant to Rule 1.4(d).
4. All parties of record in Rulemaking (R.) 06-04-010 and R.07-01-042 are hereby made parties to this proceeding.
5. R.07-01-042 is closed.
6. Any person or entity, other than a respondent, who seeks party status shall file a motion to become a party pursuant to Rule 1.4(b) or make an appearance at the first prehearing conference (PHC).
7. Initial comments on the issues identified in the foregoing discussion may be filed and are due July 17, 2008. Any person who objects to this order's determinations regarding categorization of the proceeding as quasi-legislative, the need for hearing, issues to be considered, or scheduling shall state such objections in their comments. (See Rule 6.2.)

8. A PHC and workshop are set for July 18, 2008, at 10:00 a.m., in the Commission Auditorium, State Office Building, 505 Van Ness Avenue, San Francisco, California.

9. Any party that expects to claim intervenor compensation for its participation in this rulemaking shall file its notice of intent to claim intervenor compensation no later than 30 days after the first PHC.

10. The Executive Director shall cause this Order Instituting Rulemaking to be served on respondents and on the service list for R.06-04-010, A.08-06-004, and R.07-01-042.

11. The schedule set forth in the foregoing discussion is hereby approved. The assigned Commissioner or the Administrative Law Judge may make any revisions to the scheduling determinations made herein as necessary to facilitate the efficient management of the proceeding.

This order is effective today.

Dated July 10, 2008, at San Francisco, California.

MICHAEL R. PEEVEY

President

DIAN M. GRUENEICH

JOHN A. BOHN

RACHELLE B. CHONG

TIMOTHY ALAN SIMON

Commissioners