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BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Application of Pacific Gas and Electric Company for Approval of the 2009-2011 Low Income Energy Efficiency and California Alternate Rates for Energy Programs and Budget (U39M).

Application 08-05-022
(Filed May 15, 2008)

Application of San Diego Gas & Electric Company (U902M) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009-2011.

Application 08-05-024
(Filed May 15, 2008)

Application of Southern California Gas Company (U904G) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009-2011.

Application 08-05-025
(Filed May 15, 2008)

Application of Southern California Edison Company (U338E) for Approval of Low-Income Assistance Programs and Budgets for Program Years 2009, 2010 and 2011.

Application 08-05-026
(Filed May 15, 2008)

**ADMINISTRATIVE LAW JUDGE'S SCOPING MEMO AND RULING
CONSOLIDATING PROCEEDINGS**

This scoping memo and ruling follows a prehearing conference conducted by Commissioner Dian M. Grueneich and Administrative Law Judge (ALJ) Sarah R. Thomas in these proceedings on June 24, 2008. It presents the scope of the

proceeding, the schedule, and addresses other procedural matters. This proceeding relates to the 2009-2011 Low Income Energy Efficiency (LIEE) and California Alternate Rates for Energy (CARE) applications of Pacific Gas and Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) (collectively, IOUs).

Consolidation of Proceedings

The foregoing captioned proceedings are consolidated for all purposes. All parties shall file and serve documents using the caption shown above, with Application 08-05-022 the first caption.

The Commission is considering the Energy Efficiency Strategic Plan, including the LIEE aspects of the plan, in a separate proceeding, Rulemaking 08-07-011. These proceedings have not been consolidated with that proceeding.

Scope of Issues

Issues Within Scope

The following issues are within the scope of the proceeding, in no particular order:

1. Whether utilities' energy education programs are appropriate and targeted in the right places;
2. Appropriateness of utilities' proposed pilot programs and new measures, and metrics to assess them;
3. Amount of energy savings that utilities' significantly increased budgets will bring;
4. Tiering/segmentation of LIEE population to maximize energy and bill savings. (Whether to allow tiering/segmentation is outside the scope, as this issue was decided in Decision (D.) 07-12-051, which ordered that the IOUs "Propose specific program participation goals

in specific population sectors or segments and budgets designed to meet those goals, consistent with D.06-12-038");

5. Ensuring that movement to tiering/segmentation and higher funding of and participation in LIEE programs does not cause disruption to the low-income community;
6. Nature/timing of Smart Meter-related measures;
7. Appropriateness of the mix of measures the IOUs propose, whether measures with high energy savings are or should be increasing, and whether, where IOUs propose to decrease such measures, the Commission should increase the required installations;
8. How to treat the IOUs' Compact Fluorescent Lamps (CFL) programs, both generally and in light of Assembly Bill (AB) 1109 (Huffman), which requires the market to use high efficiency, low toxics light bulbs;
9. IOU fund shifting proposals;
10. 10-year go-back rule revisions and three measure minimums;
11. Whether to give cash rewards as incentives to LIEE customers (SDG&E so proposes);
12. Sufficiency of IOUs' single statewide marketing education and outreach (ME&O). We may touch on this issue, but development of the program will require additional work as part of this proceeding, the general Energy Efficiency proceeding and other demand side program proceedings;
13. Adequacy of IOU ME&O to disabled community (in addition to other communities the IOU programs serve);
14. Gas/electric budget split (whether to continue, appropriate percentages);
15. Workforce Education and Training efforts to train the workforce needed to carry out Commission-sponsored LIEE programs.
16. Whether to fund Natural Gas Appliance Testing through the LIEE program or the IOUs' general rates?
17. CARE penetration level - where it is and should be;
18. LIEE eligible population;

19. Integration of LIEE with other utility demand side programs, and metrics to measure success;
20. Leveraging of LIEE with other programs offered in California, and metrics to measure success;
21. The 2007 KEMA and West Hill reports, to the extent they guide or advise the Commission or parties on other topics on this list;
22. To the extent not mentioned above or outside the scope as noted below, the issues the Commission ordered the IOUs to consider in D.07-12-051, ordering paragraph 4, as follows:
 - Each application of SCE, PG&E, SDG&E and SoCalGas for LIEE and CARE budget authority for the 2009-2011 period shall:
 - Propose a portfolio that identifies the benefit-cost ratio for each program and a justification for each program that is not cost-effective, as required in D.02-08-034 and according to the Commission's cost-effectiveness methodology;
 - Be designed to achieve over the three-year budget period approximately 1/4th of the programmatic initiative adopted here;
 - Demonstrate that all program elements included toward the achievement of the initiative articulated here are cost-effective using the total resource test adopted in D.02-08-034;
 - Propose program elements that may not be cost-effective but that serve other important policy objectives and provide justifications for each consistent with by D.02-08-034;
 - Present specific strategies and programs for the budget years 2009-2011 toward accomplishing the LIEE programmatic initiative articulated here that emphasizes long term and enduring energy savings, ways to leverage the resources of other entities, and ways to integrate LIEE programs with other demand-side programs, especially energy efficiency programs, as discussed herein;

- Propose ME&O programs to promote LIEE programs and the LIEE programmatic initiative, including a program element that targets renters;
 - Propose a process for automatically qualifying all tenants of public housing and tenants of Section 8 housing improving information to public housing authorities;
 - Eliminate or modify the ten year “go back” rule to permit installations of new measures and technologies in all households while avoiding duplicative installations;
 - Propose ways to promote program continuity and long term LIEE investments with more flexible budgeting and funding rules, consistent with the practices;
 - Propose specific program participation goals in specific population sectors or segments and budgets designed to meet those goals, consistent with D.06-12-038;
 - Propose methods of tracking costs for each program element and participation in each that will permit cost-benefit analysis for each program element and that are consistent for all utilities; and
 - Analysis of how AB 1109 may affect their programs and the deployment of CFLs in California.
23. Issues we asked the IOUs to address in our April 1, 2008 guidance ruling, <http://docs.cpuc.ca.gov/efile/RULINGS/80714.pdf>;
24. How the Commission should track the IOUs' performance of their LIEE/CARE programs during the 2009-11 time frame, and any mid-course review that the Commission should conduct; and
25. Any other issue added by the ALJ or assigned Commissioner.

Issues Outside Scope

The following issues are not within the scope or are issues that we will not address in detail in upcoming decision on the 2009-11 budgets:

1. How to update cost effectiveness tests and list of non-energy benefits for LIEE measures. While the Commission may examine

this issue in the future, we do not plan to do so before an initial decision issues on the 2009-11 budgets;

2. Whether to allow tiering/segmentation of LIEE population for purposes of maximizing energy and bill savings.

Proceeding Schedule

The following is the future schedule for the proceeding. Several events have already taken place that are not listed here.

DATE	EVENT
July 17, 2008	Workshop on IOUs' LIEE/CARE budget applications 10:00 a.m. to 5:00 p.m. CPUC San Francisco office State Office Building, Hearing Room A 505 Van Ness Avenue San Francisco, CA 94102
July 18, 2008	Workshop on Energy Efficiency Strategic Plan, R.08-07-011 10:00 a.m - 4:00 p.m. CPUC San Francisco office State Office Building, Auditorium 505 Van Ness Avenue San Francisco, CA 94102
July 24, 2008	Notices of Intent to seek intervenor compensation due to be filed/served
August 1, 2008	All parties may file/serve updated briefs and/or comments on any issue within scope of proceeding they wish the Commission to consider in adopting a decision on the IOUs' LIEE/CARE budget applications
September 2, 2008	Proposed decision issues on the IOUs' LIEE/CARE budget applications
October 2, 2008	Commission meeting to consider proposed decision on the IOUs' LIEE/CARE budget applications

Our goal is to resolve this case as soon as possible; we anticipate that the resolution will not exceed 18 months from issuance of this scoping memo,

pursuant to Pub. Util. Code § 1701.5. The assigned ALJ and Commissioner may alter this schedule as they see fit.

Category of Proceeding

This proceeding is categorized as ratesetting and it is determined that hearings are not necessary.

Presiding Officer

Pursuant to Commission Rule 6(c), assigned Commissioner Dian Grueneich designates ALJ Thomas as the principal hearing officer.

Communications with Decision Makers (*Ex Parte* Communication)

Pursuant to Pub. Util. Code § 1701.3(c), *ex parte* communications are prohibited in this proceeding except under the following circumstances. Oral *ex parte* communications may be permitted at any time by any Commissioner if all interested parties are invited and given not less than three days' notice. Written *ex parte* communications are permitted by any party provided that copies of the communication are transmitted to all parties on the same day. Commission Rule 8.1 *et seq.* explains the *ex parte* rules in more detail. The Commission's rules are available on the www.cpuc.ca.gov website at http://docs.cpuc.ca.gov/published/RULES_PRAC_PROC/70731.htm.

Discovery Disputes

If the parties have discovery disputes they are unable to resolve by meeting and conferring, they shall contact ALJ Thomas to determine whether a written or oral motion is required.

Intervenor Compensation

Notices of intent (NOI) to claim compensation in this proceeding are due July 24, 2008, 30 days from the prehearing conference. Each NOI should describe

the intervenor's planned participation and interest. If more than one organization or individual intends to participate in this proceeding, each should coordinate its work with other parties to avoid duplication of effort. Requests for compensation in this proceeding must comply with all Commission rules and Pub. Util. Code § 1801 *et seq.* Generally, each must demonstrate: (1) a substantial contribution to a Commission order, decision, or proceeding by an advocate or expert witness; (2) that the intervenor avoided duplication or effort, or contributed, supplemented or complemented the work of another party and that; (3) the compensable work conducted in the proceeding benefited ratepayers. Requests must allocate hours to each of the specific issues addressed.

Parties who have questions about how to qualify for intervenor compensation or the process for doing so should contact the Commission's Public Advisor at 415 703-2074, or 866-849-8390, or email public.advisor@cpuc.ca.gov.

IT IS RULED that:

1. Application (A.) 08-05-022, A.08-05-024, A.08-05-025 and A.08-05-026 are consolidated for all purposes.
2. The scope and schedule for this case are as set forth in this Scoping Memo, unless subsequently modified by assigned Commissioner or assigned ALJ directive.
3. The categorization is ratesetting and hearings are not necessary.
4. ALJ Thomas is the principal hearing officer in this proceeding.
5. Pursuant to Pub. Util. Code § 1701.3(c), *ex parte* communications are prohibited except as set forth above and in Commission Rule 8.1 *et seq.*

6. If the parties have discovery disputes they are unable to resolve by meeting and conferring, they shall contact ALJ Thomas to determine whether a written or oral motion is required.

Dated July 16, 2008, at San Francisco, California.

/s/ SARAH R. THOMAS

Sarah R. Thomas
Administrative Law Judge

