**BEFORE THE PUBLIC UTILITIES COMMISSION**
**OF THE STATE OF CALIFORNIA**

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| Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation and Related Issues. | Rulemaking 13-11-005 (Filed November 14, 2013) |

**REPLY COMMENTS OF THE**
**CALIFORNIA EFFICIENCY + DEMAND MANAGEMENT COUNCIL**
**ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENTS ON IMPLEMENTATION OF ASSEMBLY BILL 841**
**(BUDGET DEVELOPMENT AND ADMINISTRATION)**

Date: October 23, 2020

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## I. INTRODUCTION

The California Efficiency + Demand Management Council ("The Council") appreciates this opportunity to submit these Reply Comments on the Administrative Law Judge's Ruling Seeking Comments on Implementation of Assembly Bill 841 ("ALJ Ruling"), issued in R.13-11-005 on October 7, 2020. These Reply Comments are timely filed and served pursuant to the Commission's Rules of Practice and Procedure and the instructions accompanying the ALJ Ruling.

In these Reply Comments The Council expresses concerns regarding the assertions made in Pacific Gas & Electric ("PG&E") and Southern California Edison's ("SCE") Opening Comments regarding the appropriate level of Investor-Owned Utility ("IOU") funding.

## II. THE COUNCIL AGREES WITH NRDC THAT AB 841 SHOULD ENCOURAGE FULL EXPENDITURE OF ENERGY EFFICIENCY FUNDS

The Council agrees with the Natural Resources Defense Council ("NDRC") that the CPUC should support a robust energy efficiency ("EE") portfolio even beyond the annual authorized budget level:

> "If the Commission deems the portfolio of programs proposed by a utility of value to customers, it should consider the authority available to the Commission to support these programs even if the annual authorized budget is exceeded. As noted above, AB 841 does not "add to, or detract from, any existing authority of the commission to levy or increase charges."[1]

[1] NRDC Opening Comments, at p. 3.

It is critical during any period, but especially in the midst of the ongoing COVID-19 health and economic crisis that the IOUs deploy robust EE portfolios. The bill reduction and job creation value of these portfolios is clear, and EE expenditures should be maximized during this period. Although comments from PG&E and SCE support using the multi-year limitation set by the overall business plan, they seem to presage reduced future year funding to encourage excess funding during the School Energy Efficiency Stimulus Program ("SEESP") period. Given the ongoing trend of IOU unspent funds, it is The Council's view that the IOUs can accomplish both the deployment of full and robust EE portfolios *and* ensure appropriate funding of the SEESP program. Further, it is The Council's belief that the funding limitation applies to the full 2018-2025 period, and not just 2021-2025. As PG&E notes, D.18-05-041 Ordering Paragraph 50 states:

> "Staff shall have discretion to dispose of a program administrator's portfolio budget request that exceeds the corresponding annual funding amount included in its business plan (as modified by this decision), through the annual budget advice letter review process."[2]

The Commission should utilize its full regulatory mandate –enabled through previous Decisions (including, but not limited to D.18-05-041)– to ensure the IOUs (and all program administrators) can deploy a robust portfolio of EE programs during (and after) the period in which AB 841 is active. Doing so will enable EE to achieve its full potential in meeting the state's ambitious energy and climate goals, particularly in light of the recent California Air Resources Board report finding the state's progress on reducing emissions has been stagnant since 2017.[3]

## III. CONCLUSION

The Council appreciates the opportunity to offer these Reply Comments on the Budget Development and Administration of the ALJ Ruling.

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[2] D.18-05-041, at p. 193, OP 50.

[3] California Air Resources Board, "2020 Edition, California Greenhouse Gas Emission Inventory: 2000 – 2018", p. 2. October, 2020. Available at: https://ww3.arb.ca.gov/cc/inventory/pubs/reports/2000_2018/ghg_inventory_trends_00-18.pdf

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Respectfully submitted,

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