Decision _____

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine the Commission's Future Energy Efficiency Policies, Administration and Programs.	Rulemaking 01-08-028 (Filed August 23, 2001)

ORDER CORRECTING ERRORS IN DECISION (D.) 02-03-056, D.02-04-001, D.02-05-046, D.02-06-026, and D.03-01-038

Pursuant to Public Utilities Code § 1708, this decision corrects minor errors in previous decisions issued in this proceeding.

In D.02-03-056, the Commission approved statewide energy efficiency programs for 2002, but withheld approval of statewide market assessment and evaluation (MA&E) activities (including evaluation, measurement and verification – EM&V – activities for statewide programs). References to MA&E/EM&V, which were in the proposed decision, should have been deleted from all the tables and footnotes within the text, as well as from Attachment 1 of the final decision. Columns showing "EM&V Budget" and "Total Budget" should have been deleted from all the summary tables for each program and from Tables 2a, 2b, 2c, and 2d of Attachment 1. There were also errors in the calculation of energy reduction targets for the Residential Appliance Recycling and the Statewide Upstream Residential Lighting Programs, which should be corrected in the corresponding tables within the text of the decision and in Tables 2a, 2b and 2c of Attachment 1.

In D.02-04-001, the Commission corrected certain clerical errors in D.0-03-056, but did not address the errors noted above. D.02-04-001 should be

revised to remove table columns showing "EM&V Budget" and "Total Budget" from Ordering Paragraphs 1 and 2, and from Attachment 1. The energy reduction targets in Tables 2a to 2d of Attachment 1 should also be corrected as noted above.

In D.02-05-046, the Commission selected local programs to be implemented by third parties and the utilities. The decision should be corrected as follows:

- Ordering Paragraphs (OP) 1 and 1b do not reflect the total amounts shown on page 8 of the decision. The total amount allocated out of $125 million should be $109,242,089 instead of $109,661,021. The total set-aside for IOU administrative fees in OP 1b should be $4,462,052 instead of $4,880,984.
- OP 2 should include the two bullets shown on page 24 of the decision regarding information required for the program implementation plans (PIPs).

These two bullets, which were inadvertently omitted from OP2, are as follows:

- Defined quarterly performance targets or other performance measures and deliverables to be met in order to qualify for quarterly progress payments. These should be very specific and reflect concrete action – meetings alone do not qualify as concrete action.
- Procedures for responding to consumer questions and complaints regarding the program and for resolving program/performance disputes with customers.

Corrections should be made within the next of the decision, Attachment 1, and/or Attachment 3 for the following programs regarding their IOU service area coverage, budget, budget allocations, and/or program descriptions:

- ADM Associates, Inc. (118B-02) – budget shown in table on page 2 of the decision should reflect allocation of total

program funding between SCE ($486,466) and SCG ($239,603) consistent with Attachment 3, page 1 of the decision.

- Energy Analysis Technologies (98AB-02) – budget allocated to Southern California Edison (SCE) and Southern California Gas Company (SCG) should have been $747,619 and $347,619, respectively, to conform to the program targets for each IOU service area.
- Proctor Engineering Group (290-02) – the program is also approved for funding in SCG service territory to better reflect the anticipated gas savings for the program; total budget should have been allocated as follows: $2,652,381 to SCE and $200,000 to SCG.
- SCE (40-02 and 42-02) – budgets for the Local Small Nonresidential Hard to Reach Program (40-02) and the Pump Test and Hydraulic Services Program (42-02) should be changed to $1,262,200 and $1,667,800, respectively.
- ICF Associates Inc. (134-02) – the program should have been described as "Information Only Program" in Attachment 1 to be consistent with the program modifications stated in Attachment 3 (page 28) of the decision.
- California Urban Water Conservation Council (162-02) – the budget for SCG shown in Attachment 3 (p.10) should be corrected to be consistent with the budget on page 3 of the decision (*i.e.*, $1,299,648).
- Richard Heath and Associates Inc. (179-02) – the geographic area coverage and target market description should be corrected to be consistent with the program modifications.
- Xenergy, Inc. (144-02) – the reference to Residential Youth Direct Install and Green Buildings Design Assistance Programs should be deleted from the sections in the table since these program components were not selected for funding.

Attachment 3 should also reflect other corrections as follows:

- Energy Solutions (148-02) – program title should be changed to "LightWash" to be consistent with the title shown on page 4 of the decision.
- Heshong Mahone Group (255-02) – delete reference to the San Diego Regional Energy Office as a subcontractor for the program.
- Quantum Consulting Inc. (106-02) – the IOU contract administrator should be changed from Pacific Gas & Electric Company (PG&E) to SCE since this program is similar to Quantum's other Municipal Wastewater Retro-Commissioning Program (107-02) in SCE's service territory.

The totals for "Demand Reduction Targets (kW)," "Energy Reduction Targets (kWh)," and "Energy Reduction Targets (ths)" originally shown on page 6 of Attachment 1 of the decision should be interchanged to correspond to the appropriate column. The totals should be further revised to account for the deletion of energy reduction targets for the ICF Associates' program 134-02 as discussed above.

In D.02-06-026, the Commission selected additional third party local programs. The decision should be corrected to delete Conclusion of Law (COLs) 2, 3, 4, and 5. These COLs were in the Draft Decision of Commissioner Lynch, but not in the Alternate Draft Decision of Administrative Law Judge (ALJ) Thomas, which was the one voted out by the Commission. These COLs were inadvertently copied into the final decision and should be removed. In addition, revisions should be made to Attachments 1 and 3 of the decision to correct the energy reduction targets and program description for Geothermal Heat Pump Consortium's program (130-02).

In D.03-01-038, the Commission set forth the process for Commission consideration of energy efficiency funding for 2003. The Commission also

authorized bridge funding to continue the 2002 IOU statewide and local programs through the first quarter of 2003 to prevent service disruption. The Commission should have made it explicit in that decision its intent to also provide bridge funding for the *Flex Your Power* Campaign for the first quarter of 2003 to ensure that statewide marketing and outreach efforts are provided for the programs that were carried forward into the quarter. The IOUs shall allocate funding for *Flex Your Power* from the $40.565 million total bridge funding that the Commission has already authorized for the first quarter of 2003 and would be in addition to the $10.057 million set aside for statewide marketing and outreach for 2003.

Appendix A to this decision summarizes the various corrections discussed above. We also attach the corrected pages in Appendix B, with the changes highlighted.

Comments on Draft Decision

The draft decision of ALJ Thomas in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. San Diego Gas and Electric Company (SDG&E), SCG, PG&E, and SCE filed comments on the draft decision on January 30, 2003.

No parties filed reply comments. Based on PG&E's comments, we revise the therms savings for PG&E's Express Efficiency program in D.02-03-056 and D.02-04-001 to correct a mathematical error in PG&E's original program proposal filed in December 2001. We also make further revisions to the to the text and Attachment 3 of D.02-03-056, in response to SDG&E/SCG's comments. Lastly, we revise D.03-01-038 to clarify that we will furnish bridge funding for the *Flex Your Power* statewide marketing and outreach campaign for the first quarter 2003, as noted in SCE's comments.

Assignment of Proceeding

Loretta Lynch is the Assigned Commissioner and Sarah Thomas is the assigned Administrative Law Judge in this proceeding.

O R D E R

Under Public Utilities Code § 1708, **IT IS ORDERED** that Decisions (D.) 02-03-056, D.02-04-001, D.02-05-046, D.02-06-026, and D.03-01-038 are amended as discussed in body of this decision and as shown in Appendix A and B.

This order is effective today.

Dated _____, at San Francisco, California.

APPENDIX A
Errata to Decisions in R.01-08-028

D.02-03-056 as corrected by D.02-04-001

Page #s	Section	Corrections
3	I. Summary	- Delete second sentence in the asterisked footnote to the table (i.e., reference to Table 2, Attachment 1).
11, 14, 15, 16, 18, 23, 26, 29, 31, 32, 34, 42, 44, 45	IV. Programs Selected	- Delete last two columns (EM&V Budget and Total Budget) in the tables for each program.
14	IV.A.1.b. Appliance Recycling	- Change Energy Reduction Targets and Demand Reduction Targets for the three IOUs in the table and show corrected totals for both targets. - Delete footnote to table regarding SoCalGas' contribution to EM&V
23	IV.B.1.a. Nonresidential SPC Programs	- Correct total shown for Energy Reduction Targets in the table (NOTE: this was already corrected by D.02-04-001) - Delete footnote to table regarding SoCalGas' contribution to EM&V
26	IV.B.1.b. Express Efficiency Programs	- Correct totals shown for Energy Reduction Targets and Demand Reduction Targets in the table (NOTE: this was already corrected by D.02-04-001) - Reflect therm savings for PG&E of 1,196,648 instead of 8,761 to correct a mathematical error in PG&E's original proposal dated December 2001.
45	IV.C.4. Statewide Upstream Residential Lighting Program	- Delete first sentence on top of the page, and revise the second sentence to say: "We will require that at least ….." - Change Energy Reduction Targets shown for PG&E and SCE in the table, and show corrected total. - Delete footnote to table regarding SoCalGas' contribution to EM&V
Attachment 1	Table 1 – Authorized Program Budgets and Funding Sources	- Delete asterisk next to the table title and delete corresponding footnote referring to MA&E
Attachment 1	Table 2a – Energy Savings Targets and Budgets for PG&E Statewide Programs Table 2b – Energy Savings Targets and Budgets for SCE Statewide Programs Table 2c – Energy Savings	- Delete last two columns (EM&V Budget and Total Budget), and delete footnote - Change Energy Reduction Targets and Demand Reduction targets for Residential Appliance Recycling, and show corrected total for Res. Retrofit Programs - Change Energy Reduction Targets and Demand Reduction targets for Upstream Residential Lighting, and show corrected total for Statewide Cross Cutting Programs - Show corrected totals for Energy Reduction Targets and Demand Reduction Targets for all programs

	Targets and Budgets for SDG&E Statewide Programs	Demand Reduction Targets for all programs. - Correct therm savings for PG&E's Express Efficiency Program in Table 2a and show corrected total
Attachment 1	Table 2d – Energy Savings Targets and Budgets for SCG Statewide Programs	- Delete last two columns (EM&V Budget and Total Budget), and delete footnote. - Correct total shown for Residential Retrofit Energy Reduction Targets and Demand Reduction Targets. (NOTE: this was already corrected by D.02-04-001) - Show corrected totals for Energy Reduction Targets and Demand Reduction Targets. (NOTE: this was already corrected by D.02-04-001)

D.02-04-001

Page #s	Section	Corrections
1	Ordering Paragraph 1	- Delete last two columns (EM&V Budget and Total Budget) in the tables for each program.
2	Ordering Paragraph 2	- Delete last two columns (EM&V Budget and Total Budget) in the tables for each program. - Correct therm savings for PG&E's Express Efficiency Program and show corrected total
Attachment 1	Table 2a – Energy Savings Targets and Budgets for PG&E Statewide Programs Table 2b – Energy Savings Targets and Budgets for SCE Statewide Programs Table 2c – Energy Savings Targets and Budgets for SDG&E Statewide Programs	- Delete last two columns (EM&V Budget and Total Budget), and delete footnote. - Change Energy Reduction Targets and Demand Reduction targets for Residential Appliance Recycling, and show corrected total for Res. Retrofit Programs - Change Energy Reduction Targets and Demand Reduction targets for Upstream Residential Lighting, and show corrected total for Statewide Cross Cutting Programs - Show corrected totals for Energy Reduction Targets and Demand Reduction Targets for all programs. - Correct therm savings for PG&E's Express Efficiency Program in Table 2a and show corrected total
Attachment 1	Table 2d – Energy Savings Targets and Budgets for SCG Statewide Programs	- Delete last two columns (EM&V Budget and Total Budget), and delete footnote.

D.02-05-046

Page #s	Section	Corrections
2	I. Summary (table	- For 118B-02, ADM Associates, reflect allocation of program

	showing programs)	funding between SCE ($486,466) and SCG ($239,603) as shown in Attachment 3, page 1 of the decision
4	I. Summary (table showing programs)	- For 98AB-02, Energy Analysis Technologies, change allocation of program budget as follows SCE - $747,619 SCG - $347,619
5	I. Summary (table showing programs)	- For 290-02, Proctor Engineering Group, extend program into SCG service territory and allocate total budget between SCE and SCG as follows: SCE - $2,652,381 SCG - $200,000
6	I. Summary	- For 40-02, SCE, Small Nonresidential Hard to Reach Program, change budget to $1,262,200
6	I. Summary	- For 42-02, SCE, Pump Tests and Hydraulic Services Program, change budget to $1,667,800
8	I. Summary	- Correct amounts shown for local program funding to non-IOUs for SCE and SCG in table titled "Local Program Funding by IOU Service Area" to reflect allocation of program funding for ADM Associates (118B-02) between the two utilities; revise corresponding IOU reserved funds and totals for SCE and SCG
41	Ordering Paragraph 1	- Change total amount allocated to $109,242,089 to be consistent with the amount shown in the table on page 8 of the decision
41	Ordering Paragraph 1b	- Change total for administrative fees to $4,462,052 to be consistent with the amount show in the table on page 8 of the decision
42	Ordering Paragraph 2	- Add bullets shown on page 24 regarding information required in Program Implementation Plans. These two bullets are as follows: o Defined quarterly performance targets or other performance measures and deliverables to be met in order to qualify for quarterly progress payments. These should be very specific and reflect concrete action – meetings alone do not qualify as concrete action. o Procedures for responding to consumer questions and complaints regarding the program and for resolving program/performance disputes with customers.
4	Attachment 1	- For 134-02, ICF Associates Inc., Partnership for Energy Affordability in Multi-family Housing, change description to "Information Only Program" and delete demand reduction and energy reduction targets
5	Attachment 1	- For 40-02, SCE, Small Nonresidential Hard to Reach

		Program, change budget to $1,262,200 - For 42-02, SCE, Pump Tests and Hydraulic Services Program, change budget to $1,667,800
6	Attachment 1	- Interchange totals shown for Demand Reduction Targets (kW), Energy Reduction Targets (kWh), and Energy Reduction Targets (ths) in the original decision to correspond to the proper column. - Revise total demand reduction and energy reduction targets to account for change in program 134-02 (ICF Associates Inc) to "Information Only Program"
10	Attachment 3	- For 162-02, California Urban Water Conservation Council, correct budget allocated to SCG to $1,299,648
18	Attachment 3	- For 98-02, Energy Analysis Technology, change budget allocated to SCE and SCG to conform with change on page 4 of the decision, as follows: SCE: $747,619 SCG: $347,619
20	Attachment 3	- For 148-02, Energy Solutions, change program title to "LightWash"
26	Attachment 3	- For 255-02, Heshong Mahone Group, delete San Diego Regional Energy Office as a subcontractor for the program
34	Attachment 3	- For 290-02, Proctor Engineering Group, Ltd., include SCG as another service territory, allocate budget between SCE and SCG as follows: SCE: $2,652,381 SCG: $200,000 - Add sentence under Program Modifications stating that gas PGC funds from SCG will be provided to the program.
35	Attachment 3	- For 106-02, Quantum Consulting, Inc., change IOU contract administrator to SCE
41	Attachment 3	- For 179-02, Richard Heath and Associates, Inc., delete from geographic area "Rural Central Valley (greater Fresno)" - Change "medium" to "small" nonresidential in target market description.
57	Attachment 3	- For 40-02, Southern California Edison Company, change budget to $1,262,200
60	Attachment 3	- For 42-02, Southern California Edison Company, change budget to $1,667,800
65	Attachment 3	- For 144-02, Xenergy, Inc., delete Rresidential Youth Direct Install and Green Buildings Design Assistance Programs from the IOU Service Territory, Geographic Area, and Target Market sections of the table since these program components were not selected for funding

D.02-06-026

Page #s	Section	Corrections
9 - 11	Conclusion of Law	- Delete COLs #2, 3,4, and 5, subsequent page numbering is revised.
	Attachment 1	- For 130-02, Geothermal Heat Pump Consortium, revise energy reduction targets (kWh) to 852,736 and revise total for all programs
6	Attachment 3	- For 130-02, Geothermal Heat Pump Consortium, revise first sentence of Program Description: "This is an information and education program."

D.03-01-038

10	C. Bridge Funding for IOU Programs	- Add discussion authorizing bridge funding for the *Flex Your Power* Campaign for the first quarter of 2003

APPENDIX B

Corrected Pages of Decisions

D.02-03-056, D.02-04-001, D.02-05-046, D.02-06-026, and D.03-01-038

to the Department of Consumer Affairs and Univision Television Group, which will implement statewide marketing and outreach programs.[1]

Statewide Programs	PG&E	SCE	SDG&E	SoCalGas	Total
Statewide IOU Programs*					
Appliance Recycling	$1,680,000	$4,000,000	$1,000,000		$6,680,000
Single Family Energy Efficiency Rebates	$12,816,000	$5,850,000	$3,197,000	$2,598,000	$24,461,000
Muti Family Energy Efficiency Rebates	$3,304,000	$2,000,000	$1,500,000	$1,500,000	$8,304,000
Home Energy Efficiency Surveys	$900,000	$900,000	$200,000	$150,000	$2,150,000
CA Energy Star New Homes Program	$6,520,000	$4,000,000	$2,058,000	$1,484,000	$14,062,000
Standard Performance Contract	$7,800,000	$9,650,000	$2,700,000		$20,150,000
Express Efficiency	$11,607,000	$6,000,000	$3,104,000	$2,433,000	$23,144,000
Nonresidential Energy Audit	$2,650,000	$1,400,000	$700,000	$2,400,000	$7,150,000
Building Operator Certification and Training	$258,000	$500,000	$150,000	$150,000	$1,058,000
Emerging Technologies	$300,000	$650,000	$80,000	$600,000	$1,630,000
Savings by Design - New Construction	$9,707,000	$7,674,000	$3,143,000	$1,973,000	$22,497,000
Education and Training	$1,069,000	$3,813,000	$1,100,000	$1,374,000	$7,356,000
Codes & Standards Advocacy	$818,000	$887,500	$100,000	$150,000	$1,955,500
Upstream Residential Lighting	$5,803,000	$1,999,500	$1,543,000		$9,345,500
Statewide IOU Programs Sub-Total	*$65,232,000*	*$49,324,000*	*$20,575,000*	*$14,812,000*	*$149,943,000*
Statewide Marketing and Outreach					
Department of Consumer Affairs	$3,483,329	$2,683,797	$1,099,155	$790,719	$8,057,000
Univision Television Group	$864,671	$666,203	$272,845	$196,281	$2,000,000
Statewide Marketing Campaigns Sub-Total	*$4,348,000*	*$3,350,000*	*$1,372,000*	*$987,000*	*$10,057,000*
STATEWIDE PROGRAMS TOTAL	***$69,580,000***	***$52,674,000***	***$21,947,000***	***$15,799,000***	***$160,000,000***

*Amounts shown for IOU programs exclude $10.5 million budget for evaluation, measurement and verification (EM&V).[2]

[1] Additional tables setting forth our funding decision and the associated energy savings targets appear in Attachment 1 to this decision.

[2] EM&V activities are meant to determine the effects of a program, including program induced changes in energy efficiency markets, energy savings, and program cost effectiveness.

We have modified the IOUs' proposals where needed to make them consistent and to establish more robust energy savings targets, or more economical spending targets. With these changes, we estimate that the portfolio

PG&E did not provide a separate proposal for this program. The Commission's Energy Division requested that they do so, but PG&E responded after the due date. Because we believe surveys are a key part of any residential home energy efficiency program, we will require PG&E to conduct them in its territory. We will expect to see program details in PG&E's Program Implementation Plan, but set the budget and thereby the performance targets for this program at the same level as that for Edison, as set out in the following table. We have adjusted PG&E's Single Family Rebates budget to reflect the $900,000 of its funding that we are reallocating to this program.

We approve the following program targets and budgets:

Home Energy Efficiency Surveys	Mail Audits	Online Audits	Total Audits	Program Budget
PG&E	18,000	12,000	30,000	$900,000
SCE	18,000	12,000	30,000	$900,000
SCG	3,000	2,000	5,000	$150,000
SDGE	4,000	2,667	6,667	$200,000
Total	**43,000**	**28,667**	**71,667**	**$2,150,000**

b. Appliance Recycling

In D.01-11-066, we urged applicants to propose programs for refrigerator and other appliance recycling:

Refrigerator, freezer, and room air-conditioner recycling has been offered in various geographic areas within the state through several prior Commission and utility programs. This year, the Commission intends to emphasize programs that reach regions of the state previously unserved by earlier appliance recycling programs to maximize statewide availability. We encourage the utilities to partner with other entities offering these services in specific geographic areas. Any appliance retirement program should offer

refrigerators and freezers were retired and recycled.[11] PG&E and SDG&E should arrange to transfer funds to Edison for payment purposes.

We approve the following program details:

Appliance Recycling	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW) [12]	Number of Units Targeted for Removal	Program Budget
PG&E	15,705,215	2,128	9,105	$1,680,000
SCE	36,861,113	5,643	20,535	$4,000,000
SDGE	9,012,603	1,380	5,225	$1,000,000
Total	**61,578,931**	**9,151**	**34,865**	**$6,680,000**

c. Single-Family Unit Rebates For Energy Efficiency Equipment (No Lighting)

The IOUs also proposed to offer consumer rebates for upgrading to energy efficient appliances. In contrast to recycling programs that pay the consumer an incentive for recycling an old unit, rebate programs pay the consumer for purchasing a new energy efficient appliance or measure. These "downstream rebates" as they are called, target the residential single-family market. Measures covered include programmable thermostats, insulation, windows, water heaters, clothes and dishwashers, furnaces, heat pumps, air conditioners and pool pumps.

In accordance with the requirement that the programs be consistent statewide, we have modified the programs as shown in the table below. We

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[11] *The Multi-Megawatt Refrigerator/Freezer Recycling Summer Initiative Program Final Report*, December 2001, at 3, available at http://www.cpuc.ca.gov/static/industry/electric/energy+efficiency/energy+efficiency+rulemaking.htm

[12] Energy reduction targets specify how many kilowatt hours should be saved. Demand reduction targets show how many kilowatts of demand should be eliminated by the energy efficiency programs we fund.

have increased PG&E's energy savings targets due to the fact that their administrative per-unit costs were far higher than those of the other IOUs for a majority of the proposed measures.

We approve the following program details:

Single Family Energy Efficiency Rebates	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
PG&E	16,767,505	18,910	1,426,372	$12,816,000
SCE	19,039,000	6,770		$5,850,000
SCG	2,586,000	1,380	925,000	$2,598,000
SDGE	8,466,000	6,460	336,893	$3,197,000
Total	**46,858,505**	**33,520**	**2,688,265**	**$24,461,000**

d. Multi-Family Unit Rebates For Energy Efficiency Equipment (Lighting and Non-Lighting)

This category of proposals focuses on paying rebates to owners of multi-dwelling units for upgrading appliances and lighting to more efficient units. In some cases, the building owner's contractor, rather than the owner, may receive the rebate. Because SDG&E proposed the same program budget as did SoCalGas, we will hold SDG&E to the same kW and kWh targets as those proposed by SoCalGas.

We fund the following IOU programs in this category and approve the following program details:

Multi Family Energy Efficiency Rebates	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
PG&E	3,751,245	4,420	708,970	$3,304,000
SCE	8,850,000	1,090		$2,000,000
SCG	2,440,484	840	575,000	$1,500,000
SDGE	2,440,484	840	279,599	$1,500,000
Total	**17,482,213**	**7,190**	**1,563,569**	**$8,304,000**

2. Statewide Residential New Construction

In D.01-11-066, we invited proposals focused on statewide residential new construction. Such programs focus on paying residential contractors and homebuilders incentives to construct new residences with energy efficient products.

We received proposals from all four IOUs, and amend them with the following requirements:

- We will require that the IOUs develop two distinct residential new construction programs, one for single-family homes and one for multi-family homes. We feel that a distinct multi-family residential new construction program can better target builders of multi-family buildings. In this decision we approve the overall Residential New Construction budget, but require the IOUs to develop two separate budgets and program plans to be submitted in their Program Implementation Plans. PG&E and SoCalGas set benchmarks of 9,000 and 2,893 multi-family units respectively. We require that both Edison and SDG&E set benchmarks for multi-family units as well, and report them in their Program Implementation Plans.

To ensure that PGC funds are equitably distributed to all customers, we will require that 20% of direct implementation funds allocated to this program be reserved for units constructed for hard-to-reach customers,

CA Energy Star New Homes Program	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
PG&E	3,914,428	4,204	259,580	$6,520,000
SCE	3,156,000	3,390		$4,000,000
SCG	521,000	4,000	86,000	$1,484,000
SDGE	1,262,000	1,350	93,856	$2,058,000
Total	**8,853,428**	**12,944**	**439,436**	**$14,062,000**

B. Statewide Nonresidential Programs

We also solicited proposals from the IOUs to serve the statewide nonresidential market. As with the residential programs, the proposals fall into two general categories: retrofit and new construction. We discuss these programs in turn.

1. Statewide Nonresidential Retrofit Programs

As we stated in D.01-11-066:

> The Commission will continue to support energy efficiency retrofits in the small, medium and large commercial building sectors. We expect to select a mix of programs emphasizing technical support, capacity-building, emerging technology demonstration, and quality assurance. Because of current high energy prices and the lower cost of energy saving devices, incentive payments are less necessary than they once were to encourage energy efficiency, especially in the large commercial sector.[14]

We received nonresidential retrofit proposals in five general categories: (1) Nonresidential Standard Performance Contract (SPC) programs,[15] (2) Express

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[14] D.01-11-066, *mimeo.*, at 12.

[15] The nonresidential SPC programs pay incentives for custom-designed energy efficient retrofit projects in existing business facilities, as contrasted with the Express Efficiency programs, which prescribe a list of energy efficient upgrades eligible for

lighting technology, because builders and contractors still require incentives for these more expensive, less profitable retrofits.[23]

Finally, Edison has proposed to save 41,719 MWh in their portion of the SPC program. Based upon Edison's past performance, their proposed budget, and the proposed continuity of program design, the draft decision revised this target to 48,772 MWh. Edison's comments on the draft decision argue that this target is too high since this year's program has higher hard-to-reach and non-lighting targets. In response to these comments, the Energy Division issued a data request to Edison and confirmed Edison's response. (See Attachments 9 and 10.) We therefore accept Edison's proposed energy savings and demand reduction targets of 41,719 MWh.

With the changes we make above, we adopt the following funding and energy savings levels for each IOU in the nonresidential SPC program category:

Standard Performance Contract	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
PG&E	15,734,455	3,147	1,493,187	$7,800,000
SCE	41,719,000	8,620		$9,650,000
SDGE	8,568,000	1,070	186,089	$2,700,000
Total	**66,021,455**	**12,837**	**1,679,276**	**$20,150,000**

[23] Second Generation T-8 Lighting includes Premium T-8 Lamps with electronic ballasts, replacing existing T-12 lamps and magnetic ballasts. "Premium" means minimum rated life (at 3 hour start rating) of 24,000 hours with rapid-start ballasts or 18,000 hours with instant-start ballasts. Lamps must have a CRI > 85. Third Generation T-8 Lighting includes Premium T-8 plus the following characteristics: Lamps - initial (catalog) lumen output > 3100; ballasts - ballast factor < 0.77.

program, and upon Edison's proposed budget, the draft decision revised these savings targets to 80,940 MWh and 17.55 MW.

Edison's comments on the draft decision claim that these targets cannot be met without making significant changes in program design, such as altering Express marketing to focus upon the largest eligible customer class, and limiting incentives for certain measures. In response to Edison's comments, the Energy Division issued a data request with the purpose of determining the extent to which the mix of measures anticipated by the proposed Express Efficiency program differed from the mix of measures installed in prior years. Based upon the response to this request (Attachment 10), we find that the Express program proposes to de-emphasize lighting measures. We therefore revise the Express energy savings target to 64,303 MWh, but accept Edison's demand reduction target of 13.93 MW.

We approve the following plans and budgets in this category:

Express Efficiency	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
PG&E	155,382,003	29,288	1,196,648	$11,607,000
SCE	64,303,000	13,930		$6,000,000
SCG	17,000		2,190,000	$2,433,000
SDGE	47,452,000	9,040	607,310	$3,104,000
Total	**267,154,003**	**52,258**	**3,993,958**	**$23,144,000**

c. Nonresidential Audit Programs

Nonresidential audit programs are designed to inform small, medium and large nonresidential customers how to reduce their energy bills by the use of energy efficient measures. The programs generally rely on phone, online and software-based surveys for small and medium customers, and on-site audits for large customers. All four IOUs applied for such funding.

Nonresidential Energy Audit	Program Budget
PG&E	$2,650,000
SCE	$1,400,000
SCG	$2,400,000
SDGE	$700,000
Total	**7,150,000**

d. Building Operator Certification and Training

We defined building operator certification and training programs in D.01-11-066:

> Building operator certification and training programs would educate operators of large and medium commercial buildings, including public buildings, on short- and long-term peak demand and energy savings strategies for their buildings. After participating in training activities, individual building operators could become certified in efficient building operation.[29]

The programs the IOUs propose offer three separate components: classroom training; practical, project-specific training; and certification. As is true for so many of the IOUs' proposals, we are concerned about the lack of consistency in program details. For example, Edison has already identified two subcontractors with which it will work on its program, and was able to describe in some detail the program delivery process and implementation timetable, while the other IOUs intend to put the program out for competitive bid if/when funded.[30]

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[29] D.01-11-066, *mimeo.*, at 13.

[30] PG&E and SoCalGas propose to "work with other IOUs to acquire and deliver a [Building Operator Certification (BOC)] program by way of competitive process." SDG&E indicated that it "has offered a BOC program for the past two years using two different resource/curriculums" and that it plans to continue the 2001 program

Footnote continued on next page

We approve the following budgets for these programs:

Building Operator Certification and Training	Program Budget
PG&E	$258,000
SCE	$500,000
SCG	$150,000
SDGE	$150,000
Total	**1,058,000**

e. Emerging Technologies

The IOUs also included a category of "emerging technology" proposals designed to move emerging energy efficient technologies to market. While the funding they seek for this work is modest, these programs are important to the development of the next generation of energy efficient devices. Our only real concern with the IOUs' proposals is that they do not adequately document how previous expenditures in this area have helped move products to market. We will require that the IOUs do so in 2002.

As the IOUs point out, large commercial players (architects and designers, builders and contractors) are hesitant to commit to installing new energy efficient technology without extra marketing and training, on-site demonstrations, seminars and the like. Funding in this area focuses on the efforts of the Emerging Technologies Coordinating Council, in which the four large IOUs and the California Energy Commission (CEC), through its Public Interest Energy Research (PIER) program,[31] coordinate their efforts to develop emerging technologies and move them to market.

[31] Details of the PIER program appear at http://www.energy.ca.gov/pier/index.html.

We support these programs and will fund them. However, we will require the IOUs to report on the extent to which funding this Commission awards advances the cause of emerging energy efficient technologies. For each emerging technology set forth on the CEC's PIER website at http://www.energy.ca.gov/pier/programs.html, we will require that the IOUs describe in their 2002 quarterly reports how PGC funding is moving these technologies to market.

We fund the following IOU emerging technology programs:

Emerging Technologies	Program Budget*
PG&E	$300,000
SCE	$650,000
SCG	$600,000
SDGE	$80,000
Total	**1,630,000**

* SoCalGas will fund its program as follows: $150,000 under nonresidential retrofit and $450,000 under statewide cross cutting. SoCalGas proposes to augment this budget with $100,000 of local program funds. Review of this request will be made during local program proposal review.

2. Statewide Nonresidential New Construction Programs/Savings by Design

We urged the IOUs to set a new benchmark above the current June 2001 Title 24 building code standards in proposing statewide nonresidential new construction programs. We stated that,

> The setting of the new benchmark should be undertaken in consultation with the CEC and support CEC goals for further code revisions for the 2005 cycle. Similar to the utilities' past Savings by Design program, we would expect this type of program to de-emphasize prescriptive technological approaches in favor of

providing incentives to include efficiency during the design process. The Commission prefers a whole-building design approach.[32]

[32] D.01-11-066, *mimeo.*, p. 13.

In summary, we approve the following program budgets and savings goals for the Savings by Design programs:

Savings by Design	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget*
PG&E	35,000,000	14,800	300,000	$9,707,000
SCE	33,256,000	7,780		$7,674,000
SCG	8,486,000	4,630	49,000	$1,973,000
SDGE	10,832,000	2,090	141,784	$3,143,000
Total	**87,574,000**	**29,300**	**490,784**	**22,497,000**

*SCE and SDG&E will draw $700,000 and $400,000 of their program budgets, respectively, from the non-residential retrofit funds. PG&E will draw $1,007,000 of its program budget from statewide crosscutting funds.

C. Statewide Cross-Cutting Programs

We stated in D.01-11-06 that,

> A cross-cutting program may target both residential and nonresidential consumers as participants. In addition, the programs may simply support other programs. Finally, such programs could include retrofit or new construction markets.[34]

We received four types of statewide cross-cutting program applications, for: (1) statewide marketing and outreach programs, which were the subject of competitive bids by non-IOUs; (2) education and training programs; (3) codes and standards advocacy; and (4) statewide upstream residential lighting program. We discuss each type of program in turn.

1. Statewide Marketing and Outreach Programs

We allowed for competitive bidding for statewide marketing and outreach programs so that IOUs and/or non-IOUs might be funded to deliver consumer

[34] D.01-11-066, *mimeo.*, at 14.

marketing and outreach messages. In addition to the IOU proposals, we received 12 proposals from the following third parties: the Department of

partnership with other agencies, offered in languages besides English, or through targeted association meetings. In its Program Implementation Plan, each IOU shall set forth appropriate performance measures to gauge their success in serving hard-to-reach customers as mentioned in their proposals.

We approve the following program details:

Education and Training	Program Budget*
PG&E	$1,069,000
SCE	$3,813,000
SCG	$1,374,000
SDGE	$1,100,000
Total	**7,356,000**

* SoCalGas proposes funding $300,000 of their education and training program from local funding. PG&E's and SCE's proposed program budgets were reduced to increase funding for Codes & Standards Advocacy program.

3. Codes and Standards Advocacy

In the area of codes and standards advocacy, we are faced with something of an anomaly. The IOUs propose to spend less money on programs than either this Commission or the CEC believe is needed. According to the CEC, which filed comments on this aspect of the IOUs' proposals, the IOUs' efforts have been very useful in its development of codes and standards.[43] Because improvement in building codes and standards can have a profound effect on energy savings, the CEC urges the Commission to fund these programs at past levels.

[43] These codes and standards appear in the Building Energy Efficiency Standards, California Code of Regulations, title 24, part 6, and the Appliance Energy Efficiency Standards, title 20.

The CEC explains that it is in the midst of a proceeding aiming to implement Assembly Bill 970[44] by adopting new standards effective in 2005. The CEC expects to adopt the new standards in 2003. The CEC also is implementing

[44] Stats. 2000, Ch. 329.

Codes & Standards Advocacy	Program Budget*
PG&E	$818,000
SCE	$887,500
SCG	$150,000
SDGE	$100,000
Total	**1,955,500**

*PG&E's and SCE's proposed program budgets were increased by reallocating funds from Education and Training, and Upstream Residential Lighting programs.

PG&E and Edison should explain in their Program Implementation Plans how they will expand their Codes and Standards programs to meaningfully apply the extra funds.

4. Statewide Upstream Residential Lighting Program

Decision 01-11-066 emphasized continuing and even expanding upstream lighting programs in 2002. The utilities propose to broaden availability of *Energy Star*® qualified lighting products to include lighting fixtures, ceiling fans and other lighting measures in more stores and outlets. Retailers or manufacturers will receive financial incentives that will be passed on to the customer. Incentives will flow to customers either directly in the form of a point-of-purchase rebate, or through an incentive to the manufacturer so that product will be available at a discounted price.

The utilities have indicated that they will target the hard-to-reach through the "addition of non-traditional delivery channels" such as grocery stores, drug stores, and outlets in remote locations. The IOUs should develop specific performance goals in their Program Implementation Plans for increasing the quantity of product provided to these types of delivery channels. These goals should also measure whether the program is affording hard-to-reach customers better access to *Energy Star*® lighting products.

We will require that at least 15% of the rebate budget be reserved for customers in rural areas, in order to enhance service to hard-to-reach customers. In addition, we will require that 10% of the rebate funds also be reserved for redemption through purchases from new delivery channels of grocery and drug stores.

In summary, we will fund the cross-cutting lighting programs as follows:

Upstream Residential Lighting	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Program Budget*
PG&E	130,381,500	16,167	$5,803,000
SCE	25,626,052	3,264	$1,999,500
SDGE	22,500,000	3,120	$1,543,000
Total	**178,507,552**	**22,551**	**$9,345,500**

* PG&E's and SCE's program budgets reduced to increase funding for Codes & Standards Advocacy program.

V. Statewide Market Assessment and Evaluation Activities

We will address Statewide Market Assessment and Evaluation activities in an upcoming Commission Decision. We need additional time to evaluate our options in this regard.

VI. Other Issues

A. Program Implementation Plans

We expect each IOU whose programs we have chosen, as well as the DCA and Univision, to file and serve Program Implementation Plans (Plans) no more than 60 days after the Commission approves this decision. Each party shall also post their Plans on their websites in a prominent and easy-to-find location. Edison, the IOU chosen to administer the DCA and Univision programs, shall oversee the filing and service of these entities' Plans. Each Plan shall contain the

ATTACHMENT 1: PROGRAM BUDGETS AND ENERGY SAVINGS TARGETS

Table 1. Authorized Program Budgets and Funding Sources

Statewide Programs	PG&E	SCE	SDG&E	SoCalGas	Total
Residential Retrofit Programs					
Appliance Recycling	$1,680,000	$4,000,000	$1,000,000		$6,680,000
Single Family Energy Efficiency Rebates	$12,816,000	$5,850,000	$3,197,000	$2,598,000	$24,461,000
Muti Family Energy Efficiency Rebates	$3,304,000	$2,000,000	$1,500,000	$1,500,000	$8,304,000
Home Energy Efficiency Surveys	$900,000	$900,000	$200,000	$150,000	$2,150,000
Residential Retrofit Sub-Total	*$18,700,000*	*$12,750,000*	*$5,897,000*	*$4,248,000*	*$41,595,000*
Residential New Construction Programs					
CA Energy Star New Homes Program	*$6,520,000*	*$4,000,000*	*$2,058,000*	*$1,484,000*	*$14,062,000*
Nonresidential Retrofit Programs					
Standard Performance Contract	$7,800,000	$9,650,000	$2,700,000		$20,150,000
Express Efficiency	$11,607,000	$6,000,000	$3,104,000	$2,433,000	$23,144,000
Nonresidential Energy Audit	$2,650,000	$1,400,000	$700,000	$2,400,000	$7,150,000
Building Operator Certification and Training	$258,000	$500,000	$150,000	$150,000	$1,058,000
Emerging Technologies	$300,000	$650,000	$80,000	$150,000	$1,180,000
Savings By Design - Retrofit & Remodelling		$700,000	$400,000		$1,100,000
Nonresidential Retrofit Sub-Total	*$22,615,000*	*$18,900,000*	*$7,134,000*	*$5,133,000*	*$53,782,000*
Nonresidential New Construction Programs					
Savings by Design - New Construction	*$8,700,000*	*$6,974,000*	*$2,743,000*	*$1,973,000*	*$20,390,000*
Statewide Crosscutting Programs					
Education and Training	$1,069,000	$3,813,000	$1,100,000	$1,374,000	$7,356,000
Savings by Design (Info and Educ./EDR)	$1,007,000				$1,007,000
Codes & Standards Advocacy	$818,000	$887,500	$100,000	$150,000	$1,955,500
Upstream Residential Lighting	$5,803,000	$1,999,500	$1,543,000		$9,345,500
Emerging Technologies				$450,000	$450,000
Statewide Crosscutting Sub-Total	*$8,697,000*	*$6,700,000*	*$2,743,000*	*$1,974,000*	*$20,114,000*
Statewide Marketing and Outreach					
Department of Consumer Affairs	$3,483,329	$2,683,797	$1,099,155	$790,719	$8,057,000
UnivisionTelevision Group	$864,671	$666,203	$272,845	$196,281	$2,000,000
Statewide Marketing Campaigns Sub-Total	*$4,348,000*	*$3,350,000*	*$1,372,000*	*$987,000*	*$10,057,000*
STATEWIDE PROGRAMS TOTAL	***$69,580,000***	***$52,674,000***	***$21,947,000***	***$15,799,000***	***$160,000,000***

Table 2a. Energy Savings Targets and Budgets for PG&E Statewide Programs

	PG&E			
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
Residential Retrofit Programs				
Residential Appliance Recycling	15,705,215	2,128		$1,680,000
Single Family EE Rebates	16,767,505	18,910	1,426,372	$12,816,000
Multi Family EE Rebates	3,751,245	4,420	708,970	$3,304,000
Home Energy Efficiency Surveys				$900,000
Residential Retrofit Totals	*36,223,965*	*25,458*	*2,135,342*	*$18,700,000*
Residential New Construction Programs				
CA Energy Star New Homes Program	3,914,428	4,204	259,580	$6,520,000
Residential New Construction Totals	*3,914,428*	*4,204*	*259,580*	*$6,520,000*
Nonresidential Retrofit Programs				
Standard Perform. Contract	15,734,455	3,147	1,493,187	$7,800,000
Express Efficiency	155,382,003	29,288	1,196,648	$11,607,000
Energy Audit				$2,650,000
Building Operator Cert. and Training				$258,000
Emerging Technologies				$300,000
Nonresidential Retrofit Totals	*171,116,458*	*32,435*	*2,689,835*	*$22,615,000*
Nonresidential New Construction Programs				
Savings by Design - New Construction	35,000,000	14,800	300,000	$9,707,000
Nonresidential New Construction Totals	*35,000,000*	*14,800*	*300,000*	*$9,707,000*
Statewide Crosscutting Programs				
Education and Training				$1,069,000
Codes & Standards Advocacy				$818,000
Upstream Residential Lighting	130,381,500	16,167	0	$5,803,000
Statewide Crosscutting Total	*130,381,500*	*16,167*	*0*	*$7,690,000*
Total PG&E Statewide Programs	*376,636,351*	*93,064*	*5,384,757*	*$65,232,000*

Table 2b. Energy Savings Targets and Budgets for SCE Statewide Programs

	Edison		
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Program Budget
Residential Retrofit Programs			
Residential Appliance Recycling	36,861,113	5,643	$4,000,000
Single Family EE Rebates	19,039,000	6,770	$5,850,000
Multi Family EE Rebates	8,850,000	1,090	$2,000,000
Home Energy Efficiency Surveys			$900,000
Residential Retrofit Totals	*64,750,113*	*13,503*	*$12,750,000*
Residential New Construction Programs			
CA Energy Star New Homes Program	3,156,000	3,390	$4,000,000
Residential New Construction Totals	*3,156,000*	*3,390*	*$4,000,000*
Nonresidential Retrofit Programs			
Standard Perform. Contract	41,719,000	8,620	$9,650,000
Express Efficiency	64,303,000	13,930	$6,000,000
Energy Audit			$1,400,000
Building Operator Cert. and Training			$500,000
Emerging Technologies			$650,000
Nonresidential Retrofit Totals	*106,022,000*	*22,250*	*$18,200,000*
Nonresidential New Construction Programs			
Savings by Design - New Construction	33,256,000	7,780	$7,674,000
Nonresidential New Construction Totals	*33,256,000*	*7,780*	*$7,674,000*
Statewide Crosscutting Programs			
Education and Training			$3,813,000
Codes & Standards Advocacy			$887,500
Upstream Residential Lighting	25,626,052	3,264	$1,999,500
Statewide Crosscutting Total	*25,626,052*	*3,264*	*$6,700,000*
Total Edison Statewide Programs	*232,810,165*	*50,487*	*$49,324,000*

Table 2c. Energy Savings Targets and Budgets for SDG&E Statewide Programs

	SDG&E			
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
Residential Retrofit Programs				
Residential Appliance Recycling	9,012,603	1,380	0	$1,000,000
Single Family EE Rebates	8,466,000	6,460	336,893	$3,197,000
Multi Family EE Rebates	2,440,484	840	279,599	$1,500,000
Home Energy Efficiency Surveys				$200,000
Residential Retrofit Totals	*19,919,087*	*8,680*	*616,492*	*$5,897,000*
Residential New Construction Programs				
CA Energy Star New Homes Program	1,262,000	1,350	93,856	$2,058,000
Residential New Construction Totals	*1,262,000*	*1,350*	*93,856*	*$2,058,000*
Nonresidential Retrofit Programs				
Standard Perform. Contract	8,568,000	1,070	186,089	$2,700,000
Express Efficiency	47,452,000	9,040	607,310	$3,104,000
Energy Audit				$700,000
Building Operator Cert. and Training				$150,000
Emerging Technologies				$80,000
Nonresidential Retrofit Totals	*56,020,000*	*10,110*	*793,399*	*$6,734,000*
Nonresidential New Construction Programs				
Savings by Design - New Construction	10,832,000	2,090	141,784	$3,143,000
Nonresidential New Construction Totals	*10,832,000*	*2,090*	*141,784*	*$3,143,000*
Statewide Crosscutting Programs				
Education and Training				$1,100,000
Codes & Standards Advocacy				$100,000
Upstream Residential Lighting	22,500,000	3,120	0	$1,543,000
Statewide Crosscutting Total	*22,500,000*	*3,120*	*0*	*$2,743,000*
Total SDG&E Statewide Programs	*110,533,087*	*25,350*	*1,645,531*	*$20,575,000*

Table 2d. Energy Savings Targets and Budgets for SoCalGas Statewide Programs

	SoCalGas			
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
Residential Retrofit Programs				
Residential Appliance Recycling				
Single Family EE Rebates	2,586,000	1,380	925,000	$2,598,000
Multi Family EE Rebates	2,440,484	840	575,000	$1,500,000
Home Energy Efficiency Surveys				$150,000
Residential Retrofit Totals	*5,026,484*	*2,220*	*1,500,000*	*$4,248,000*
Residential New Construction Programs				
CA Energy Star New Homes Program	521,000	4,000	86,000	$1,484,000
Residential New Construction Totals	*521,000*	*4,000*	*86,000*	*$1,484,000*
Nonresidential Retrofit Programs				
Standard Perform. Contract				
Express Efficiency	17,000	0	2,190,000	$2,433,000
Energy Audit				$2,400,000
Building Operator Cert. and Training				$150,000
Emerging Technologies				$600,000
Nonresidential Retrofit Totals	*17,000*	*0*	*2,190,000*	*$5,583,000*
Nonresidential New Construction Programs				
Savings by Design - New Construction	8,486,000	4,630	49,000	$1,973,000
Nonresidential New Construction Totals	*8,486,000*	*4,630*	*49,000*	*$1,973,000*
Statewide Crosscutting Programs				
Education and Training				$1,374,000
Codes & Standards Advocacy				$150,000
Upstream Residential Lighting	0	0	0	
Statewide Crosscutting Total	*0*	*0*	*0*	*$1,524,000*
Total SoCalGas Statewide Programs	*14,050,484*	*10,850*	*3,825,000*	*$14,812,000*

(END OF ATTACHMENT 1)

Decision 02-04-001 April 3, 2002

BEFORE THE PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking to Examine the Commission's Future Energy Efficiency Policies, Administration and Programs.	Rulemaking 01-08-028 (Filed August 23, 2001)

ORDER CORRECTING ERROR IN DECISION 02-03-056

This decision corrects a clerical error in Decision (D.) 02-03-056 in which the Commission approved statewide energy efficiency programs for 2002. While we made certain adjustments to the figures discussed in the text of the decision, we did not always carry those forward to the tables accompanying the discussion on pages 23 (Nonresidential SPC programs) and 26 (Express Efficiency programs), or in Attachment 1 (Tables 2a, 2b, 2c, and 2d). We attach the corrected pages here, with the changes in bold text. These corrections reflect the discussion in the text of the decision.

In addition, Ordering Paragraph 15 does not correctly reflect the contracting requirement for Univision Television Group (Univision), and should be changed to reflect that Edison, and not PG&E, will execute the Univision contract.

Under Resolution A-4661**, IT IS ORDERED** that:

1. The table on page 23 of Decision (D.) 02-03-056 is amended as follows, with the bolded portion representing the change:

Standard Performance Contract	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
PG&E	15,734,455	3,147	1,493,187	$7,800,000
SCE	41,719,000	8,620		$9,650,000
SDGE	8,568,000	1,070	186,089	$2,700,000

Total	**66,021,455**	12,837	1,679,276	$20,150,000

2. The table on page 26 of D.02-03-056 is amended as follows, with the bolded portion representing the changes:

Express Efficiency	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
PG&E	155,382,003	29,288	1,196,648	$11,607,000
SCE	64,303,000	13,930		$6,000,000
SCG	17,000		2,190,000	$2,433,000
SDGE	47,452,000	9,040	607,310	$3,104,000
Total	**267,154,003**	**52,258**	3,993,958	$23,144,000

3. Attachment 1, tables 2a, 2b, 2c, and 2d are modified as set forth in Attachment 1 hereto, with the bolded portions representing the changes.

4. Ordering Paragraph 15 is modified to state the following:

> Edison shall contract with the Department of Consumer Affairs (DCA) and Univision Television Group (Univision) to carry out the statewide marketing and outreach programs we approve in this decision. The contracts shall ensure that third parties do not use PGC funding for conservation and/or load-shifting messages that rely only on temporary or impermanent behavioral change. Edison shall not make payments to the DCA and/or Univision unless this requirement is met. DCA and Univision will have ultimate responsibility for advertising content as long as it is consistent with this decision.

This order is effective today.

Dated April 3, 2002, at San Francisco, California.

/s/ WESLEY M. FRANKLIN

WESLEY M. FRANKLIN
Executive Director

ATTACHMENT 1

Table 2a. Energy Savings Targets and Budgets for PG&E Statewide Programs

	PG&E			
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
Residential Retrofit Programs				
Residential Appliance Recycling	15,705,215	2,128		$1,680,000
Single Family EE Rebates	16,767,505	18,910	1,426,372	$12,816,000
Multi Family EE Rebates	3,751,245	4,420	708,970	$3,304,000
Home Energy Efficiency Surveys				$900,000
Residential Retrofit Totals	**36,223,965**	**25,458**	**2,135,342**	*$18,700,000*
Residential New Construction Programs				
CA Energy Star New Homes Program	3,914,428	4,204	259,580	$6,520,000
Residential New Construction Totals	*3,914,428*	*4,204*	*259,580*	*$6,520,000*
Nonresidential Retrofit Programs				
Standard Perform. Contract	15,734,455	3,147	1,493,187	$7,800,000
Express Efficiency	155,382,003	29,288	1,196,648	$11,607,000
Energy Audit				$2,650,000
Building Operator Cert. and Training				$258,000
Emerging Technologies				$300,000
Nonresidential Retrofit Totals	*171,116,458*	*32,435*	*2,689,835*	*$22,615,000*
Nonresidential New Construction Programs				
Savings by Design - New Construction	35,000,000	14,800	300,000	$9,707,000
Nonresidential New Construction Totals	*35,000,000*	*14,800*	*300,000*	*$9,707,000*
Statewide Crosscutting Programs				
Education and Training				$1,069,000
Codes & Standards Advocacy				$818,000
Upstream Residential Lighting	130,381,500	16,167	0	$5,803,000
Statewide Crosscutting Total	*130,381,500*	*16,167*	*0*	*$7,690,000*
Total PG&E Statewide Programs	**376,636,351**	**93,064**	**5,384,757**	*$65,232,000*

Table 2b. Energy Savings Targets and Budgets for SCE Statewide Programs

	Edison		
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Program Budget
Residential Retrofit Programs			
Residential Appliance Recycling	36,861,113	5,643	$4,000,000
Single Family EE Rebates	19,039,000	6,770	$5,850,000
Multi Family EE Rebates	8,850,000	1,090	$2,000,000
Home Energy Efficiency Surveys			$900,000
Residential Retrofit Totals	*64,750,113*	*13,503*	*$12,750,000*
Residential New Construction Programs			
CA Energy Star New Homes Program	3,156,000	3,390	$4,000,000
Residential New Construction Totals	*3,156,000*	*3,390*	*$4,000,000*
Nonresidential Retrofit Programs			
Standard Perform. Contract	41,719,000	8,620	$9,650,000
Express Efficiency	64,303,000	13,930	$6,000,000
Energy Audit			$1,400,000
Building Operator Cert. and Training			$500,000
Emerging Technologies			$650,000
Nonresidential Retrofit Totals	*106,022,000*	**22,550**	*$18,200,000*
Nonresidential New Construction Programs			
Savings by Design - New Construction	33,256,000	7,780	$7,674,000
Nonresidential New Construction Totals	*33,256,000*	*7,780*	*$7,674,000*
Statewide Crosscutting Programs			
Education and Training			$3,813,000
Codes & Standards Advocacy			$887,500
Upstream Residential Lighting	25,626,052	3,264	$1,999,500
Statewide Crosscutting Total	*25,626,052*	*3,264*	*$6,700,000*
Total Edison Statewide Programs	*232,810,165*	*50,487*	*$49,324,000*

Table 2c. Energy Savings Targets and Budgets for SDG&E Statewide Programs

	SDG&E			
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
Residential Retrofit Programs				
Residential Appliance Recycling	9,012,603	1,380	0	$1,000,000
Single Family EE Rebates	8,466,000	6,460	336,893	$3,197,000
Multi Family EE Rebates	2,440,484	840	279,599	$1,500,000
Home Energy Efficiency Surveys				$200,000
Residential Retrofit Totals	**19,919,087**	**8,680**	*616,492*	*$5,897,000*
Residential New Construction Programs				
CA Energy Star New Homes Program	1,262,000	1,350	93,856	$2,058,000
Residential New Construction Totals	*1,262,000*	*1,350*	*93,856*	*$2,058,000*
Nonresidential Retrofit Programs				
Standard Perform. Contract	8,568,000	1,070	186,089	$2,700,000
Express Efficiency	47,452,000	9,040	607,310	$3,104,000
Energy Audit				$700,000
Building Operator Cert. and Training				$150,000
Emerging Technologies				$80,000
Nonresidential Retrofit Totals	*56,020,000*	*10,110*	*793,399*	*$6,734,000*
Nonresidential New Construction Programs				
Savings by Design - New Construction	10,832,000	2,090	141,784	$3,143,000
Nonresidential New Construction Totals	*10,832,000*	*2,090*	*141,784*	*$3,143,000*
Statewide Crosscutting Programs				
Education and Training				$1,100,000
Codes & Standards Advocacy				$100,000
Upstream Residential Lighting	22,500,000	3,120	0	$1,543,000
Statewide Crosscutting Total	*22,500,000*	*3,120*	*0*	*$2,743,000*
Total SDG&E Statewide Programs	**110,533,087**	**25,350**	*1,645,531*	*$20,575,000*

Table 2d. Energy Savings Targets and Budgets for SoCalGas Statewide Programs

	SoCalGas			
	Energy Reduction Targets (kWh)	Demand Reduction Targets (kW)	Energy Reduction Targets (ths)	Program Budget
Residential Retrofit Programs				
Residential Appliance Recycling				
Single Family EE Rebates	2,586,000	1,380	925,000	$2,598,000
Multi Family EE Rebates	2,440,484	840	575,000	$1,500,000
Home Energy Efficiency Surveys				$150,000
Residential Retrofit Totals	**5,026,484**	**2,220**	*1,500,000*	*$4,248,000*
Residential New Construction Programs				
CA Energy Star New Homes Program	521,000	4,000	86,000	$1,484,000
Residential New Construction Totals	*521,000*	*4,000*	*86,000*	*$1,484,000*
Nonresidential Retrofit Programs				
Standard Perform. Contract				
Express Efficiency	17,000	0	2,190,000	$2,433,000
Energy Audit				$2,400,000
Building Operator Cert. and Training				$150,000
Emerging Technologies				$600,000
Nonresidential Retrofit Totals	*17,000*	*0*	*2,190,000*	*$5,583,000*
Nonresidential New Construction Programs				
Savings by Design - New Construction	8,486,000	4,630	49,000	$1,973,000
Nonresidential New Construction Totals	*8,486,000*	*4,630*	*49,000*	*$1,973,000*
Statewide Crosscutting Programs				
Education and Training				$1,374,000
Codes & Standards Advocacy				$150,000
Upstream Residential Lighting	0	0	0	
Statewide Crosscutting Total	*0*	*0*	*0*	*$1,524,000*
Total SoCalGas Statewide Programs	**14,050,484**	**10,850**	*3,825,000*	*$14,812,000*

(END OF ATTACHMENT 1)

INTERIM OPINION SELECTING 2002-03 LOCAL ENERGY EFFICIENCY PROGRAMS

I. Summary

In this interim decision, we select the local energy efficiency programs for 2002-03. We award $102,030,037[3] in local energy efficiency funds to a combination of governmental entities, non-profits and community based organizations, small businesses, consulting firms, investor owned utilities (IOUs) and other entities dedicated to providing energy efficiency measures at the local level. All of these programs will be funded by Public Goods Charge (PGC) funds collected in 2002 and 2003. We fund the following programs:

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	IOU Service Territory	Contracting IOU
118B-02	ADM Associates, Inc	Mobile Energy Clinic Program	$726,069		SCE
		Program Budget Per IOU Area	*$486,466* *$239,603*	*SCE* *SCG*	
119A-02	ADM Associates, Inc	Upstream High Efficiency Gas Water Heater Program	$827,116	PGE	PGE
171AB-02	American Synergy Corporation	Comprehensive Hard-to-Reach Residential and Small Commercial Energy Savings Program	$2,980,952		SCE
		Program Budget Per IOU Area	*$1,985,314* *$995,638*	*SCE* *SCG*	
201-02	American Synergy Corporation	Comprehensive Hard-to-Reach Mobile Home Energy Savings	$2,277,632	PGE	PGE
244-02	ASW Engineering	The Energy Savers Program	$2,642,270	SCE	SCE
172-02	California Building Performance Contractors Association	Comprehensive Whole-House Residential Retrofit Program	$1,613,225	PGE	PGE

[1] There is additional local funding that requires further consideration. We will address this funding separately.

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	IOU Service Territory	Contracting IOU
141ABC-02	Electric & Gas Industries Association	A Proposal to Develop & Administer an Interest Rate Buy-Down for the Installation of High Efficiency HVAC Equipment *Program Budget Per IOU Area*	$5,380,983 *$3,269,151* *$1,524,728* *$587,105*	 *PGE* *SCE* *SCG*	PGE
98AB-02	Energy Analysis Technologies	Residential Duct Services Program *Program Budget Per IOU Area*	$1,095,238 *$747,619* *$347,619*	 *SCE* *SCG*	SCG
232A-02	Energy Coalition	The Energy District Approach for Sustainable Energy Efficiency in California	$3,047,619	SCE	SCE
148ABC-02	Energy Solutions	LightWash *Program Budget Per IOU Area*	$2,559,905 *$1,407,930* *$837,800* *$314,175*	 *PGE* *SCG* *SDGE*	PGE
113-02	Fisher-Nickel Inc	Energy Efficiency in Commercial Food Service	$3,183,796	PGE	PGE
126-02	Frontier Associates	Green Building Technical Support Services	$565,396	PGE	PGE
180-02	GeoPraxis	Time-of-Sale Home Inspection Proposal	$875,931	PGE	PGE
248B-02	Global Energy Partners, LLC	Energy Efficiency Services for Electricity Consumption and Demand Reduction in Oil Production in the State of California	$1,730,250	SCE	SCE
278BC-02	Global Energy Services	Chinese Language Efficiency Outreach (CLEO) *Program Budget Per IOU Area*	$358,087 *$279,913* *$78,173*	 *SCE* *SCG*	SCE

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	IOU Service Territory	Contracting IOU
255CD-02	Heschong Mahone Group	Efficient Affordable Housing Program *Program Budget Per IOU Area*	$483,697 *$241,849* *$241,849*	 *SCE* *SCG*	SCG
134-02	ICF Associates Inc	Partnership for Energy Affordability in Multi-Family Housing	$1,826,305	PGE	PGE
218AB-02	ICF Associates Inc	Demand Control Ventilation Pilot Program *Program Budget Per IOU Area*	$589,153 *$394,733* *$194,421*	 *SCE* *SCG*	SCG
184AB-02	Local Government Commission	Regional Energy Authority Pilot Projects *Program Budget Per IOU Area*	$939,903 *$454,002* *$485,901*	 *PGE* *SCE*	PGE
11-02	PGE	School Resources Program	$600,000	PGE	
15-02	PGE	Energenius	$300,000	PGE	
19-02	PGE	Pacific Energy Center (PEC)	$2,340,000	PGE	
290-02	Proctor Engineering Group Ltd.	Check Me *Program Budget Per IOU Area*	$2,852,381 *$2,652,381* *$200,000*	SCE *SCE* *SCG*	SCE
106-02	Quantum Consulting Inc	Municipal Wastewater Retro-Commissioning (PG&E Territory)	$952,381	PGE	PGE
107-02	Quantum Consulting Inc	Municipal Wastewater Retro-Commissioning (SCE Territory)	$1,528,714	SCE	SCE
174-02	Quantum Consulting Inc	The Oakland Energy Partnership Program	$6,052,498	PGE	PGE
179-02	Richard Heath & Associates, Inc.	Proposal to Provide A Small Nonresidential Energy Fitness Program	$1,904,762	PGE	PGE
287-02	Richard Heath & Associates, Inc.	Mobile Home Energy Efficiency & Education Program	$1,514,616	SDGE	SDGE
182AB-02	Rita Norton & Associates	South Bay Communities & Affiliates Energy Efficiency Program *Program Budget Per IOU Area*	$1,904,762 *$1,276,190* *$628,571*	 *SCE* *SCG*	SCE
125-02	RLW Analytics Inc	The Energy Savers Program	$1,904,762	PGE	PGE
300-02	San Diego Regional Energy Office	San Diego Public Agency Information and Technical Support Program	$910,402	SDGE	SDGE
301-02	San Diego Regional Energy Office	San Diego Region Energy Resource & Education Center	$1,805,107	SDGE	SDGE

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	IOU Service Territory	Contracting IOU
303-02	San Diego Regional Energy Office	San Diego Region Cool Communities Shade Tree Program Proposal	$744,941	SDGE	SDGE
304-02	San Diego Regional Energy Office	San Diego Region Agriculture, Water and Energy Program	$524,097	SDGE	SDGE
305-02	San Diego Regional Energy Office	San Diego Region Direct Install Small Commercial Program	$1,724,367	SDGE	SDGE
306-02	San Diego Regional Energy Office	San Diego K-12 Energy Education Program	$429,676	SDGE	SDGE
37-02	SCE	Residential In-Home Energy Survey Program	$700,000	SCE	
40-02	SCE	Small Nonresidential Hard to Reach Program	$1,262,200	SCE	
42-02	SCE	Pump Tests & Hydraulic Services Program	$1,667,800	SCE	
43-02	SCE	Demonstration & Information Transfer	$450,000	SCE	
44-02	SCE	Local Government Initiative	$850,000	SCE	
45-02	SCE	Codes & Standards Program	$50,000	SCE	
83-02	SCG	Nonresidential Financial Incentives Program	$990,000	SCG	
84-02	SCG	Diverse Markets Outreach Programs	$1,079,000	SCG	
	SCG	To supplement SCG Statewide Programs*	400,000	SCG	
63-02	SDGE	Hard to Reach Lighting Turn In Program	$433,000	SDGE	
64-02	SDGE	In-Home Audits Program	$150,000	SDGE	
65-02	SDGE	Small Business Energy Assessments	$417,000	SDGE	
66-02	SDGE	EZ Turnkey Program	$900,000	SDGE	
70-02	SDGE	Codes and Standards	$200,000	SDGE	
177-02	State & Consumer Services Agency	Proposal for a Local K-12 Schools Energy-Efficiency Program	$2,965,476	PGE	PGE

* To supplement SoCalGas' statewide Emerging Technologies program ($100,000) and Education and Training program, specifically its Energy Resource Center ($300,000), per SoCalGas' December 14, 2001, proposal.

the IOUs have received more of the $25 million than this decision would indicate.[4] We also set aside a portion of the total funding available to cover the administrative fee that IOUs may collect for administering the third party contracts and authorize supplemental funding for two of SoCalGas' statewide programs. The following table summarizes the allocation of the total funding available across the IOU service areas that we approve in this decision.

Local Program Funding by IOU Service Area					
	PG&E	**SCE**	**SDG&E**	**SoCalGas**	**Total**
Local Program Funding to IOUs (1)	$3,240,000	$4,980,000	$2,100,000	$2,469,000	$12,789,000
Local Program Funding to Non-IOUs (2)	$39,995,099	$29,643,172	$13,358,856	$6,243,901	$89,241,037
Sub-total	**$43,235,099**	**$34,623,172**	**$15,458,856**	**$8,712,910**	**$102,030,037**
Bridge Funding for IOU Programs (3)	$1,195,920	$905,300	$377,190	$271,590	$2,750,000
IOU Administrative Reserve Funds (4)	$1,999,755	$1,482,159	$667,943	$312,196	$4,462,052
Total	**$46,430,774**	**$37,010,631**	**$16,503,989**	**$9,296,696**	**$109,242,089**

(1) To fund local program from June 1 to Dec 31, 2002.

(2) To fund local programs from June 1 to Dec 31, 2003.

(3) To fund local programs through May 31, 2002 per D02-03-056, Attachment 8.

(4) Total IOU Administrative Reserve Funds are equal to 5% of the total funds awarded to non-IOU program providers (see discussion in Section V.J. below). Because some IOUs will be administering contracts for programs outside of their respective service area, the segregation of the total IOU Administrative Reserve by IOU service area is approximate and may not reflect the actual fees collected by each individual IOU for administrative services.

[4] *See* D.02-03-056, Attachment 9.

ORDER

IT IS ORDERED that:

1. We allocate $109,242,089 of the $125 million total local program funding we made available in D.01-11-066 as follows:

   a. $102,030,037 for the local programs set forth in Attachment 1. For third party programs (programs not sponsored by Investor Owned Utilities (IOUs)), program funding will run during 2002-03 unless changed by order of the Commission, the assigned Commissioner, or the assigned Administrative Law Judge (ALJ). For IOUs, funding will expire on December 31, 2002 unless changed by order of the Commission, the assigned Commissioner, or the assigned ALJ. In addition, we used $2,750,000 to "bridge fund" the IOUs' existing local programs through May 2002 in D.02-03-056.

   b. $4,462,052 to cover the administrative fees that IOUs may collect for administering contracts for the third party local programs we approve in this decision.

2. No more than 8 days after the Commission approves this decision, all parties granted funding shall file and serve Program Implementation Plans (Plans). Each party shall also post its Plan on its website (if it maintains one) in a prominent and easy-to-find location and in their original word processing and spreadsheet languages (*i.e.*, not only as PDF files). Each Plan shall contain at least the following information for each program funded (IOUs and third parties with more than one funded program may either submit one document containing separate Plans for each individual program, or submit separate documents for each program. Programs that are serving more than one IOU territory must also be submitted as separate plans):

- Title of individual program
- Plans to implement this decision's changes to original proposals

- Revised energy and peak demand savings targets, as well as per-unit energy savings and unit-count projections, as applicable, detailed on a quarterly basis
- Revised cost-effectiveness calculations, as applicable
- For information-only programs with no energy savings targets, other objective measures for evaluating program progress
- Hard-to-reach targets and goals. Where this decision does not specify such targets and goals, the program implementer should define them in its Plan. Where this decision specifies such targets, they should appear in the Plan
- Budget (in the format and following the guidelines to be issued by the Energy Division following adoption of this decision)
- Defined quarterly performance targets or other performance measures and deliverables to be met in order to qualify for quarterly progress payments. These should be very specific and reflect concrete action – meetings alone do not qualify as concrete action.
- Procedures for responding to consumer questions and complaints regarding the program and for resolving program/performance disputes with customers.

The Commission will monitor the local programs using the Plans as a benchmark. We delegate to the assigned ALJ, in consultation with the Energy Division, the authority to review and approve the Plans. The assigned ALJ may also consult with the IOU contract administrators in reviewing and approving the Plans for their respective third party programs.

3. Based on their past experience, including what occurred with the Summer Initiative programs (A.99-09-049 *et al.*), the IOUs shall present estimates of the appropriate percentage they anticipate for administrative expenses for each third party program after the third parties submit their Program Implementation Plans and contracts are finalized, and in no event after June 17, 2002. The IOUs will be eligible for actual expenses in contract administration up to no more than 5% of the contracted amount. The IOUs shall retain proof of these administrative expenses, which the Commission may inspect as the need arises.

4. Local program providers shall coordinate with other existing or selected programs to enhance consistency in rebates and other program details; minimize duplicative administrative costs; and enhance the possibility that programs can

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	Demand Reduction Targets (kW)	Energy Reduction Targets (kWh)	Energy Reduction Targets (ths)
134-02	ICF Associates Inc	Partnership for Energy Affordability in Multi-Family Housing	$1,826,305	Information Only Program		
218AB-02	ICF Associates Inc	Demand Control Ventilation Pilot Program	$589,153	120	400,000	200,000
184AB-02	Local Government Commission	Regional Energy Authority Pilot Projects	$939,903	Information Only Program		
11 -02	PGE	School Resources Program	$600,000	Information Only Program		
15-02	PGE	Energenius	$300,000	Information Only Program		
19-02	PGE	Pacific Energy Center (PEC)	$2,340,000	Information Only Program		
290-02	Proctor Engineering Group Ltd.	Check Me	$2,852,381	805,000	11,637,039	139,744
106-02	Quantum Consulting Inc	Municipal Wastewater Retro-Commissioning (PG&E Territory)	$952,381	Not Reported	3,239,573	
107-02	Quantum Consulting Inc	Municipal Wastewater Retro-Commissioning (SCE Territory)	$1,528,714	Not Reported	5,200,000	
174-02	Quantum Consulting Inc	The Oakland Energy Partnership Program	$6,052,498	8,990	25,008,463	231,590
179-02	Richard Heath & Associates, Inc.	Proposal to Provide A Small Nonresidential Energy Fitness Program	$1,904,762	1,339	5,295,150	
287-02	Richard Heath & Associates, Inc.	Mobile Home Energy Efficiency & Education Program	$1,514,616	1,435	2,367,283	142,622

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	Demand Reduction Targets (kW)	Energy Reduction Targets (kWh)	Energy Reduction Targets (ths)
182AB-02	Rita Norton & Associates	South Bay Communities & Affiliates Energy Efficiency Program	$1,904,762	Not Reported	9,420,619	9,524
125-02	RLW Analytics Inc	The Energy Savers Program	$1,904,762	689	3,389,243	
300-02	San Diego Regional Energy Office	San Diego Public Agency Information and Technical Support Program	$910,402	Information Only Program		
301-02	San Diego Regional Energy Office	San Diego Region Energy Resource & Education Center	$1,805,107	Information Only Program		
303-02	San Diego Regional Energy Office	San Diego Region Cool Communities Shade Tree Program Proposal	$744,941		1,233,806	
304-02	San Diego Regional Energy Office	San Diego Region Agriculture, Water and Energy Program	$524,097	Information Only Program		
305-02	San Diego Regional Energy Office	San Diego Region Direct Install Small Commercial Program	$1,724,367		4,590,954	17,658
306-02	San Diego Regional Energy Office	San Diego K-12 Energy Education Program	$429,676	Information Only Program		
37-02	SCE	Residential In-Home Energy Survey Program	$700,000	Information Only Program		
40-02	SCE	Small Nonresidential Hard to Reach Program	$1,262,200	350	1,878,000	
42-02	SCE	Pump Tests & Hydraulic Services Program	$1,667,800	Information Only Program		
43-02	SCE	Demonstration & Information Transfer	$450,000	Information Only Program		

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	Demand Reduction Targets (kW)	Energy Reduction Targets (kWh)	Energy Reduction Targets (ths)
44-02	SCE	Local Government Initiative	$850,000	Information Only Program		
45-02	SCE	Codes & Standards Program	$50,000	Information Only Program		
83-02	SCG	Nonresidential Financial Incentives Program	$990,000			1,256,000
84-02	SCG	Diverse Markets Outreach Program	$1,079,000	Information Only Program		
	SCG	To Supplement SCG Statewide Programs[5]	$400,000			
63-02	SDGE	Hard to Reach Lighting Turn In Program	$433,000	290	1,867,000	
64-02	SDGE	In-Home Audits Program	$150,000	Information Only Program		
65-02	SDGE	Small Business Energy Assessments	$417,000	Information Only Program		
66-02	SDGE	EZ Turnkey Program	$900,000	532	3,090,842	
70-02	SDGE	Codes and Standards	$200,000	Information Only Program		
177-02	State & Consumer Services Agency	Proposal for a Local K-12 Schools Energy-Efficiency Program	$2,965,476	Information Only Program		
144AB-02	Xenergy	Energy Efficient Local Government Partners Program	$1,664,565	Not Reported	3,994,368	7,781
202AB-02	Xenergy	Comprehensive Compressed Air Program	$1,524,000	3,000	20,000,000	
Totals			**$102,030,037**	**840,025**	**233,520,469**	**14,235,617**

[5] To supplement SoCalGas' statewide Emerging Technologies program ($100,000) and Education and Training program, specifically its Energy Resource Center ($300,000), per SoCalGas' December 14, 2001, proposal.

California Urban Water Conservation Council – No. 162-02

PROGRAM TITLE:	Pre-Rinse Spray Head Installation for the Food Service Industry
PROGRAM IMPLEMENTER(S):	California Urban Water Conservation Council
SUBCONTRACTOR(S):	
IOU SERVICE TERRITORY:	Pacific Gas & Electric Company (PG&E), Southern California Gas Company (SCG), San Diego Gas & Electric Company (SDG&E),
GEOGRAPHIC AREA:	
TARGET MARKET:	Nonresidential: food service industry
IOU CONTRACT ADMINISTRATOR:	SCG
BUDGET APPROVED	$2,217,513
PG&E	$ 562,806
SCG	$1,299,648
SDG&E	$ 355,059

PROGRAM DESCRIPTION:
This direct-install incentive-based program replaces high water use pre-rinse spray valves with more efficient models at food service facilities: restaurants, cafeterias, institutional kitchens and food preparation companies. There will be no cost to the participants and water utilities throughout the state will contribute a portion of the funds for program implementation. This program targets hard-to-reach customer in both urban and rural settings.

PROGRAM MODIFICATIONS:
To ensure energy savings and encourage widespread use of the program, only spray valves using hot water may be replaced and no more than three (3) stores under the same ownership may participate in this program.

Energy Analysis Technologies, Inc. – No. 98-02

PROGRAM TITLE:	Residential Duct Services (RDS) Program
PROGRAM IMPLEMENTER(S):	Energy Analysis Technologies, Inc.
SUBCONTRACTOR(S):	Carrier-Aeroseal, LLC
IOU SERVICE TERRITORY:	Southern California Edison Company (SCE) Southern California Gas Company (SCG)
GEOGRAPHIC AREA:	Hotter climate areas + underserved populations (Climate Zones 9 & 13, see below)
TARGET MARKET:	Residential, single-family, lower to middle-income Hard To- Reach customers (including mobile home dwellers and renters)
IOU CONTRACT ADMINISTRATOR:	SCG
BUDGET APPROVED	$1,095,238
SCE	$ 747,619
SCG	$ 347,619

PROGRAM DESCRIPTION:
This program is a residential outreach and incentive program designed to increase access to duct repair and advanced heating, ventilation, and air conditioning (HVAC) diagnostic tune-ups for single-family homes. In addition this program will provide local training to contractors performing this work. This program is conceived as a complement to the utilities' rebate programs for high efficiency HVAC equipment. RDS will pay a $200 rebate for duct sealing and/or a $275 rebate to households with greater than 40% leakage rates in their HVAC ducts as an incentive toward the tune-up. This program presents a comprehensive approach for residential energy, promising substantial savings, as well as upstream training of contractors, without resorting to a franchise model.

PROGRAM MODIFICATIONS:
Due to similarity in the targeted areas of this proposal and CheckMe! (Proctor Engineering Group, Ltd.), we will permit it to operate in all proposed climate zones, but it must demonstrate that it has served all zones and provide a check against double dipping. Plans to accomplish this will be included in the implementation plan.

Energy Solutions – No. 148-02

PROGRAM TITLE:	LightWash
PROGRAM IMPLEMENTER(S):	Energy Solutions
SUBCONTRACTOR(S):	Ecos, Batelle Memorial Institute
IOU SERVICE TERRITORY:	Pacific Gas & Electric Company (PG&E), Southern California Gas Company (SCG), San Diego Gas & Electric Company (SDG&E)
GEOGRAPHIC AREA:	Water Agency service territories
TARGET MARKET:	Small nonresidential
IOU CONTRACT ADMINISTRATOR:	PG&E
BUDGET APPROVED **PG&E** **SCG** **SDG&E**	$2,559,905 $1,407,930 $ 837,800 $ 314,175

PROGRAM DESCRIPTION:
This program provides outreach, education, and rebates for high efficiency clothes washers. The program targets laundromats and institutional and multi-family common area laundry facilities. Along with education and incentive for clothes washers, a turnkey lighting retrofit will be provided to very small customers who participate in this program. The marketing, education, and outreach for this program will be coordinated with water agencies. These water agencies are running their own water conservation programs targeted at these customers.

Proctor Engineering Group, Ltd. – No. 290-02

PROGRAM TITLE:	CheckMe! in Southern California Edison Company's (SCE) Territory
PROGRAM IMPLEMENTER(S):	Proctor Engineering Group, Ltd.
SUBCONTRACTOR(S):	None specified (except contractors must be enrolled in the CheckMe! program)
IOU SERVICE TERRITORY:	SCE, SCG
GEOGRAPHIC AREA:	Hotter climate areas and underserved populations
TARGET MARKET:	Cross cutting, targeting hard-to reach customers
IOU CONTRACT ADMINISTRATOR:	SCE
BUDGET APPROVED	$2,852,381
SCE	$2,652,381
SCG	$ 200,000

PROGRAM DESCRIPTION:
This outreach and incentive program targets heating, ventilation, and air conditioning systems (HVAC) contractors for training in duct sealing and air conditioning testing and tune-up. Subsequent to the training contractors will be dispatched to hard-to-reach residential and small commercial customers whose HVAC systems are suspected of being in need of tuning/sealing. The program combines contractor training with a commitment to high volume quality-controlled upgrading of existing and mostly maladjusted HVAC equipment.

PROGRAM MODIFICATIONS:
Due to similarity in the targeted areas of this proposal and the Residential Duct Services (RDS) Program of Energy Analysis Technologies, Inc.), we will permit it to operate in all proposed climate zones, but it must demonstrate that it has served all zones and provide a check against double dipping. Plans to accomplish this will be included in the implementation plan. We adjust the budget as shown above. We shall also provide gas PGC funds from SCG for this program to better reflect the anticipated gas savings for the program.

Heschong Mahone Group – No. 255-02

PROGRAM TITLE:	Efficient Affordable Housing, A Residential Efficiency Program to Assist Housing Authorities
PROGRAM IMPLEMENTER(S):	Heschong Mahone Group
SUBCONTRACTOR(S):	
IOU SERVICE TERRITORY:	Southern California Edison Company (SCE), Southern California Gas Company (SCG)
GEOGRAPHIC AREA:	Riverside County
TARGET MARKET:	Residential Retrofit. Housing authorities and current and prospective Section-8 building owners
IOU CONTRACT ADMINISTRATOR:	SCG
BUDGET APPROVED SCE **SCG**	$483,697 $241,849 $241,849

PROGRAM DESCRIPTION:
This program, in cooperation with the housing authorities, adopts a utility allowance that reflects savings due to energy efficiency measures. When savings are shared between landlord and renter, the landlord may charge a higher rent as an incentive to install energy savings measures and the renter will pay a lower overall monthly costs due to energy savings. In addition, incentives will be provided to building owners that demonstrate a 20% improvement over current condition as determined by a HERS rating or by showing 10% more efficient than required by state law using Microspas or Energy pro software runs. Ignoring the effect of energy efficiency on utility allowances provides no incentive for energy efficiency in housing authority units. The program focuses on working with housing authorities for the first year, and with building owners for the second year.

PROGRAM MODIFICATIONS:
We accept this program in SCE and SCG territories. The implementation plan must include a method to prevent participants from double dipping incentives.

Quantum Consulting Inc – No. 106-02

PROGRAM TITLE:	Municipal Wastewater Retro-Commissioning and Process Optimization Program
PROGRAM IMPLEMENTER(S):	Quantum Consulting Inc.
SUBCONTRACTOR(S):	BacGen Technologies
IOU SERVICE TERRITORY:	Pacific Gas & Electric (PG&E)
GEOGRAPHIC AREA:	Central Valley
TARGET MARKET:	Nonresidential Retrofit / Process Overhaul / Hard-to-Reach rural small and medium size facilities
IOU CONTRACT ADMINISTRATOR:	SCE
BUDGET APPROVED	$952,381

PROGRAM DESCRIPTION:
This incentive program targets small to medium sized wastewater treatment facilities for process optimization. Quantum and BacGen have jointly devised a protocol for installing monitoring equipment with which to model biological parameters in the wastewater treatment facility, which then allows for the aeration equipment to be turned down enough to save approximately 40% of the energy. This program offers a combination of substantial electricity savings, innovative program design, a commitment to hard-to-reach customers whose ability to diagnose and finance the necessary process changes is severely limited, and an approach with a persuasive track record of successful energy savings in PG&E service territory.

PROGRAM MODIFICATIONS:
The approved budget for this program is substantially less than the original proposed budget of $1,605,150. We require Quantum Consulting, Inc. to provide a detailed revised allocation of the approved budget, including performance targets in its Implementation Plan.

Richard Heath and Associates, Inc. (RHA) – No. 179-02

PROGRAM TITLE:	Small Nonresidential Energy fitness program to Hard-to-Reach PG&E Customers (SNEF Program)
PROGRAM IMPLEMENTER(S):	Richard Heath and Associates, Inc. (RHA)
SUBCONTRACTOR(S):	Regional Economic Resources, Inc.
IOU SERVICE TERRITORY:	Pacific Gas & Electric Company (PG&E)
GEOGRAPHIC AREA:	Northern Sacramento Valley (Chico) areas
TARGET MARKET:	Very small to small nonresidential hard-to-reach customers
IOU CONTRACT ADMINISTRATOR:	PG&E
BUDGET APPROVED	$1,904,762

PROGRAM DESCRIPTION:
This program offers information, outreach, and incentives. It targets hard-to-reach very small and small nonresidential customers in rural Central Valley and Northern Sacramento Valley areas. The program would provide on-site energy education, customized energy goals, and follow-up services (including financing, applying for Express rebates, quarterly newsletter, and monthly utility bill analysis). This program makes a commitment to follow short and long term energy savings for each customer; it utilizes local organizations for outreach and marketing; and would provide recommendations and assistance to access incentives from other energy efficient program.

PROGRAM MODIFICATIONS:
The program was proposed for both the Rural Central Valley (greater Fresno) and Northern Sacramento Valley (Chico), with a total budget of $5,285,561. We recommend implementing the program only in the Northern Sacramento Valley, with a reduced budget of $1,904,762. We require RHA to provide a revised itemized budget and performance goals. Additionally, RHA needs to readdress the situation wherein RHA provides the customers with both audit and bid for installation; RHA should also advise the customers to obtain additional bids from other parties. These changes are to be reflected in the Implementation Plan.

Southern California Edison Company (SCE) – No. 40-02

PROGRAM TITLE:	Local Small Nonresidential Hard to Reach Program
PROGRAM IMPLEMENTER(S):	Southern California Edison Company (SCE)
SUBCONTRACTOR(S):	
IOU SERVICE TERRITORY:	SCE
GEOGRAPHIC AREA:	SCE Territory
TARGET MARKET:	Crosscutting
IOU CONTRACT ADMINISTRATOR:	
BUDGET APPROVED	$1,262,200

PROGRAM DESCRIPTION:
This program provides low cost and no cost energy efficient equipment to very small business (under 20 kW) customers with special focus on those economically disadvantaged businesses.

PROGRAM MODIFICATIONS:
We require SCE to provide mode detailed budget on marketing, advertising, outreach and activity costs. An independent, third party shall perform evaluation, measurement and verification of the program.

Southern California Edison Company (SCE) – No. 42-02

PROGRAM TITLE:	Pump Test and Hydraulic Services Program
PROGRAM IMPLEMENTER(S):	Southern California Edison Company (SCE)
SUBCONTRACTOR(S):	
IOU SERVICE TERRITORY:	SCE
GEOGRAPHIC AREA:	SCE Territory
TARGET MARKET:	Large-Small Nonresidential (agricultural and local water districts)
IOU CONTRACT ADMINISTRATOR:	
BUDGET APPROVED	$1,667,800

PROGRAM DESCRIPTION:
This program promotes awareness of energy efficiency and its benefits to agricultural businesses, water districts and other high volume users of water. It offers a high quality review of system operations, guides customers in making their energy efficiency decision, and provides them information on rebate programs offered by the utilities and/or private and state agencies.

PROGRAM MODIFICATIONS:
We require SCE to hire an independent, third party evaluation, measurement, and verification contractor and to provide measurable performance goals in the implementation plans, i.e. number of planned pumping system tests.

Xenergy, Inc. – N0. 144-02

PROGRAM TITLE:	Energy Efficient Local Government Partners Program
PROGRAM IMPLEMENTER(S):	Xenergy, Inc.
SUBCONTRACTOR(S):	CA Youth Energy Services, CA Interfaith Power and Light, Brown and Caldwell, Rumsey Engineers, and TMT Associates
IOU SERVICE TERRITORY:	1) Small Commercial HTR Program – PG&E / SCE 2) Wastewater Treatment Program - PG&E / SCE / SDG&E
GEOGRAPHIC AREA:	1) Small Commercial HTR Program – SF Bay Area / Orange County 2) Wastewater Treatment Program - PG&E / SCE / SDG&E
TARGET MARKET:	1) Small Commercial HTR Program – small commercial customers 2) Wastewater Treatment Program –medium sized plants
IOU CONTRACT ADMINISTRATOR:	PG&E
BUDGET APPROVED **PG&E** **SCE** **SCE**	$1,664,565 $ 619,048 (Wastewater Program) $ 346,667 (Wastewater Program) $ 698,850 (Small Commercial HTR Program)

PROGRAM DESCRIPTION:

This proposal offers four programs in various locations in CA as noted above. All programs will have small and medium sized local government involvement. These local governments have not actively participated in prior energy efficient programs. (1) The Small Commercial HTR Program offers a turnkey approach to direct install lighting measures with some HVAC to the very small and small commercial market (100kW or

5. Efficiency Services Group is a subsidiary of Portland General Electric, which is an Enron subsidiary.

6. Efficiency Services Group's proposal only mentions Enron on one page of its proposal (page 33), and suggests there that it will soon not be part of Enron.

7. Energx no longer has an outstanding California state tax lien.

8. We take official notice of an Order to Show Cause issued by the FERC on June 4, 2002, available at http://www.ferc.gov/electric/bulkpower/pa02-2/showcause-06-04-02.pdf.

9. Enron has some access to Portland cash "through dividends or otherwise," even though such access is "limited."

10. Portland General Electric can make cash distributions to Enron as long as they do not allow Portland's "equity capital" to fall below 48% of total Portland General Electric capitalization. With the approval of its Oregon state regulator, Portland General Electric can send additional "equity capital" to Enron.

11. Portland General Electric can only state that it "believes that substantive consolidation of Portland General Electric in the bankruptcy of Enron is unlikely."

Conclusions of Law

1. The financial precariousness of Enron renders the Efficiency Services Group program ineligible for program funding. The program may be unable to meet the first criterion set forth in D.01-11-066: "[t]he most important goal of any Commission energy efficiency program is to create permanent and verifiable energy sayings over the life-cycle of the relevant energy efficiency measures." There is too much uncertainty surrounding Enron for us to be able to select its program given the quality of the other programs also seeking funding.

SECOND INTERIM ORDER

IT IS ORDERED that:

1. We award the remaining 2002-03 local energy efficiency funding to the following programs:

Program Administrator	Program Title	Approved Budget
New Programs:		
Alliance to Save Energy	Green Schools, Green Communities	$1,314,286
Energx Controls Inc	Local Small Commercial Energy Efficiency & Market Transformation Program	$1,142,857
EnSave Energy Performance Inc	California Variable Speed Drive Farm Program	$484,977
Geothermal Heat Pump Consortium	Proposal to Promote Geoexchange to SCE Customers	$1,287,531
PECI	Proposal for Delivering Energy Efficiency Services to Local Independent Grocery Sector	$3,838,485
SBW Consulting, Inc.	Compressed Air Management Program	$1,569,524
SESCO, Inc.	The Gas-Only Multi-family Gas Program	$2,380,952
Additional Funding:		
California State University Fresno	Agriculture Pumping Efficiency Program	$1,487,351
Global Energy Services	Chinese Language Efficiency Outreach (CLEO)	$345,666
State & Consumer Services Agency	Proposal for a Local K-12 Schools Energy-Efficiency Program	$1,487,351
	TOTAL	**$15,338,979**

2. We set aside an additional $418,932 to cover IOU administrative costs that may result from the inclusion of the foregoing programs.

3. Each selected program shall be bound by the terms and conditions in D.02-05-046, with the exception of certain due dates set forth therein, revisions of which are set forth in Attachment 2 to this decision.

This order is effective today.

Dated June 6, 2002, at San Francisco, California.

HENRY M. DUQUE
CARL W. WOOD
GEOFFREY F. BROWN
MICHAEL R. PEEVEY
Commissioners

I dissent.

/s/ LORETTA M. LYNCH
President

ATTACHMENT 1
SELECTED LOCAL PROGRAMS AND ENERGY REDUCTION TARGETS[6]

Energy Division Proposal Reference Number	Proposal Sponsor	Program Title	Approved Budget	Demand Reduction Targets (kW)	Energy Reduction Targets (kWh)	Energy Reduction Targets (ths)
142AB-02	Alliance to Save Energy	Green Schools, Green Communities	$1,314,286	Information Only Program		
208-02	Energx Controls Inc	Local Small Commercial Energy Efficiency & Market Transformation Program	$1,142,857			824,440
243ABC-02	EnSave Energy Performance Inc	California Variable Speed Drive Farm Program	$484,977	869	4,282,983	
130-02	Geothermal Heat Pump Consortium	Proposal to Promote Geoexchange to SCE Customers	$1,287,531	Not Reported	852,736	
237ABC-02	PECI	Proposal for Delivering Energy Efficiency Services to Local Independent Grocery Sector	$3,838,485	Not Reported	272,265,000	
97A-02	SBW Consulting, Inc.	Compressed Air Management Program	$1,569,524	1,972	14,051,299	
197-02	SESCO, Inc.	The Gas-Only Multi-family Gas Program	$2,380,952			1,076,043
		TOTAL	**$12,018,611**	**2,841**	**291,452,018**	**1,900,483**

[6] In cases where the proposed program budget was reduced, we have reduced the energy and demand reduction targets proportionately. All energy and demand reduction targets shown in this attachment are to illustrate the approximate energy effects of the program portfolio, and will be revised based on the Program Implementation Plans that program sponsors will submit.

Geothermal Heat Pump Consortium (GHPC) – No. 130-02

PROGRAM TITLE:	A Proposal to Promote Geoexchange to Southern California Edison's (SCE) Commercial and Educational Customer
PROGRAM IMPLEMENTER(S):	Geothermal Heat Pump Consortium (GHPC)
SUBCONTRACTOR(S):	GREEN INQ Assn. for Efficient Environmental Energy Systems California Coalition for Adequate Housing MAM Consulting Hamilton Consulting
IOU SERVICE TERRITORY:	SCE
GEOGRAPHIC AREA:	SCE service area
TARGET MARKET:	Non-Residential, targeting low-income schools for retrofits and new school construction, infrastructure building and education of Geoexchange technology to non-residential and commercial sector
IOU CONTRACT ADMINISTRATOR:	SCE
BUDGET APPROVED	$1,287,531

PROGRAM DESCRIPTION:

This is an information and education program. Geoexchange is an environmentally friendly technology that relies on natural thermal energy stored in the ground for heating and cooling and replaces conventional fuel burning or electric heating, ventilation, air conditioning systems. The program will target three segments: Commercial New Construction, Non-Residential Renovation & Remodeling, and Residential New Construction. The program provides incentive to underserved and hard-to-reach schools when they install geoexchange systems. Geoexchange has been successfully instituted in more than 650 U.S. schools located in 40 states and has

reduced energy consumption from 25% to 50% compared to traditional heating and cooling systems.

Commission issues this decision, they should track those expenses and account for such expenses in their reports to the Commission on first quarter 2003 program results. The IOUs may request recovery of these expenditures through their respective PGC energy efficiency balancing accounts.

The amount of the bridge funding is set forth below. These figures are based on 20% of the total PGC funds allocated to 2003 IOU statewide and local programs shown in the chart on page 2 of this decision. We will offset the bridge funding against the total 2003 IOU funding amounts set forth in that chart so that the bridge funding plus funding for new 2003 programs are equal to the amounts in that chart. Given the seasonal nature of many of these programs (which are usually weighted toward the summer months) and the potential for variation between the 2002 and 2003 programs, we decline to grant the utilities the full 25% of program funding for the first quarter, as requested, but do grant the utilities the preponderance of funds to ensure program continuity.

First Quarter 2003 Authorized Funding by Utility

PG&E	$17,640,800
SCE	$13,354,400
SDG&E	$5,564,400
SoCalGas	$4,005,600
Total	$40,565,200

The IOUs may only use these funds for their 2002 programs authorized in D.02-03-056 and D.02-05-046. The IOUs should include the program accomplishments achieved during the bridge-funding period toward the cumulative goals of their 2003 programs.

We shall also provide bridge funding for the *Flex Your Power* Campaign ("Campaign") for the first quarter of 2003 to ensure that statewide marketing and outreach efforts are provided for the programs that were carried forward into the quarter. The IOUs shall allocate funding for *Flex Your Power* from the $40.565 million

total bridge funding that the Commission has already authorize for the first quarter of 2003 and would be in addition to the $10.057 million set aside for statewide marketing and outreach for 2003.

Comments on Draft Decision

As noted, ALJ Thomas solicited comments on her draft ruling. We also received comments on this decision, as set forth below.

Several parties commenting on the ruling (RESCUE/SESCO, ABAG, Ecology Action, and Cal-Ucons) objected to the lack of more third-party (non-IOU) participation in the 2003 funding cycle. We understand that non-IOUs are interested in continuing to participate in energy efficiency programs, and we have not abandoned our commitment to allowing such participation. Indeed, third parties are active participants in many local energy efficiency programs in 2003. We anticipate continuing to seek such participation in the future.

Other commenters (ABAG, University of California/California State University, County of Los Angeles, Ecology Action, Women's Energy Matters) urged the Commission to ramp up the phase of this proceeding aimed at examining alternative means of administering energy efficiency programs. We agree that this is an important goal, and plan to examine the complex issues surrounding program administration in the next phase of the proceeding. This decision is not concerned with long-term program administration, but rather with ensuring that 2003 statewide programs are up and running as soon as possible.

Finally, commenters pointed out funding needs in their areas (City and County of San Francisco), urged us to carefully scrutinize IOU programs (Women's Energy Matters), or addressed the IOU refrigerator recycling programs (ARCA). We will consider these specific comments as we evaluate the proposals before us, and issue a decision addressing those proposals in the first quarter of 2003.

The draft decision of the ALJ in this matter was mailed to the parties in accordance with Pub. Util. Code § 311(g)(1) and Rule 77.7 of the Rules of Practice and Procedure. Comments were filed on January 3, 2003, and reply comments were

filed on January 10, 2003. PG&E, SCE, SDG&E, SoCalGas, the County of Los Angeles, RESCUE/SESCO, Inc., JACO Environmental, Ecology Action, California Building Performance Contractors Association, Proctor Engineering Group, and Sisson and Associates, Inc., filed comments and/or reply comments. We have made changes in the decision in response to specific concerns raised regarding the bridge funding period. The other comments, related to our future process for soliciting third-party energy efficiency programs, are outside the scope of this decision. To the extent that this decision does not reflect additional changes suggested by parties, it is because we have considered and rejected such changes.

Assignment of Proceeding

Loretta Lynch is the Assigned Commissioner and Sarah Thomas is the assigned Administrative Law Judge in this proceeding.

Findings of Fact

1. The Assigned ALJ had authority to issue a ruling setting forth the process for the 2003 energy efficiency funding cycle.
2. The ALJ's proposed process is reasonable.
3. The amount of bridge funding we authorize here is based on 20% of the total PGC funds allocated to 2003 IOU statewide and local programs.

Conclusions of Law

1. It is reasonable for parties seeking funding for energy efficiency programs and statewide marketing and outreach programs for 2003 to follow the process set forth in this decision.
2. It is reasonable to allow bridge funding for the first quarter of 2003 to avoid program disruption.

ORDER

IT IS ORDERED that:

5. We ratify the process set forth in ALJ Thomas' October 23, 2002 Ruling whereby Investor Owned Utilities (IOUs) Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company were required to file and serve plans for their 2003 energy efficiency programs on or before November 4, 2002.

6. We also ratify ALJ Thomas' ruling providing that IOUs and third parties could file and serve proposals for the $10.057 million available for statewide marketing and outreach programs on or before December 2, 2002. Depending on the quality of the proposals the Commission receives, we will consider raising the funding level for statewide marketing and outreach programs to $20 million.

7. To prevent service disruption, we authorize the IOUs whose programs will expire at the end of 2002 to continue those programs through March 31, 2003, using Public Goods Charge collections from that period, in the amounts set forth in the body of this decision. The IOUs may only use these funds for their 2002 programs authorized in D.02-03-056 and D.02-05-046. If the Commission issues a decision on 2003 program applications prior to that time, this "bridge funding" shall expire upon issuance of that decision. If the IOUs incur expenses in 2003 before the Commission issues this decision, they should track those expenses and account for such expenses in their reports to the Commission on first quarter 2003 program results. The IOUs can request recovery of these expenditures through their respective PGC energy efficiency balancing accounts.

8. The IOUs shall include the program accomplishments achieved during the bridge funding period toward the cumulative goals of their 2003 programs.

This order is effective today.

Dated January 16, 2003, at San Francisco, California.

MICHAEL R. PEEVEY
President
CARL W. WOOD
LORETTA M. LYNCH
GEOFFREY F. BROWN
SUSAN P. KENNEDY
Commissioners