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November 9, 2001

**ADVICE 1585-E**  
**(U 338-E)**

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Additional Funding Transfer to the California Energy Commission for Energy Efficiency Studies and Submission of Supplement to Joint Agreement with the California Energy Commission

Southern California Edison Company (SCE) hereby submits for filing the following changes to its tariff schedules. The revised tariff sheets are listed on Attachment A and are attached hereto.

**PURPOSE**

This advice filing: (1) revises SCE's Preliminary Statement, Part N, Memorandum Accounts, Section No. 55, Energy Efficiency DSM (EEDSM) Memorandum Account to reflect additional amounts to be transferred to the California Energy Commission (CEC); and (2) provides a Supplement to the Joint Agreement with the CEC to reflect the funding transfer for the additional studies required by Decision (D.) 01-06-037.

**BACKGROUND**

The California Public Utilities Commission (Commission) stated in Resolution E-3592, dated April 1, 1999, that the California Board for Energy Efficiency (CBEE) will work collaboratively with the CEC to obtain needed data and research. To fund these activities, the CBEE proposed a Market Assessment and Evaluation (MA&E) budget which included \$2.1 million for CEC data collection in program year 1999. SCE's share of this amount was \$680,000.

In Resolution E-3592, the Commission approved \$2.1 million annually for CEC data collection for 1999 and 2000. The Resolution further states that the legal mechanism to provide the CEC with these energy efficiency funds needed for the collection, analysis, and development of this information requires a utility-CEC signed agreement, modeled after the agreement for the transfer of funds supporting

the Renewables and the Research, Development and Demonstration PGC funds under Assembly Bill 1890. The Commission further stated that the utilities should submit to the Commission a joint, written agreement with the CEC as soon as practicable.

Resolution E-3592 also states that each utility should track the transfer of funds in an Energy Efficiency-DSM memorandum account. Resolution E-3592 further states that these memorandum accounts should be established in an advice letter and that the utilities should revise their Preliminary Statements to reflect this change.

On August 6, 1999, SCE filed Advice 1348-E-D which (1) contained the joint agreement between the CEC and Pacific Gas and Electric Company (PG&E), SCE, San Diego Gas and Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) pursuant to Resolution E-3592 (referred to as the Joint Agreement), and (2) proposed the establishment of the EEDSM Memorandum Account to track the transfer of funds. This Joint Agreement sets forth the arrangement for fund transfer, payment schedules, specifications for the return of unused funds, and an attachment outlining the specific use of the funds. Advice 1348-E-D was approved by the Commission on September 13, 1999 and made effective on September 15, 1999 pursuant to Resolution E-3592.

On April 7, 2000, SCE filed Advice 1448-E which modified SCE's Preliminary Statement, Part N, Memorandum Account, Section No. 55, Energy Efficiency DSM (EEDSM) Memorandum Account to reflect additional amounts to be transferred to the California Energy Commission (CEC) and, (2) provides a Supplement to the Joint Agreement with the CEC to reflect the funding transfer for the additional studies required by D.01-06-037. Advice 1448-E was approved by the Commission on May 5, 2000 and made effective May 17, 2000.

### **FUND TRANSFER FOR YEAR 2001 MA&E STUDIES**

In D.01-06-037, the Commission approved utility specific Year 2001 MA&E studies and budgets, including the proposed MA&E studies and budgets to be administered by the CEC. The CEC administered studies include data collection activities associated with a Commercial End Use Survey (CEUS) and Updates to Database of Energy Efficiency Resources (DEER). SCE's allocation of the funding requirements for these studies for Year 2001 is \$680,000.

Consistent with D.99-12-053, SCE hereby requests Commission approval to add the additional \$680,000 associated with the CEC administered MA&E studies for Year 2001 to SCE's portion of the previously authorized CEC funding transfers. Pursuant to the Joint Agreement between the CEC and the utilities, SCE will transfer the funds to the CEC by December 31, 2001. The tariff sheets attached to this advice letter reflects SCE's revised Preliminary Statement, Part N for the

revisions to the amounts to be transferred to the CEC and tracked in the EEDSM Memorandum Account.

**SUPPLEMENT TO THE JOINT AGREEMENT BETWEEN THE CEC AND THE UTILITIES**

Exhibit 1 to this advice letter is the Supplement to the Joint Agreement between the CEC and the utilities previously provided to the Commission in compliance with Resolution E-3592 and as necessitated by the additional funds to be transferred to the CEC for Year 2001 CEC administered studies as discussed in this advice filing. As set forth in this supplement, the parties agree that any unencumbered funds remaining at the end of the expenditure period will be returned by the CEC to the utilities' Energy Efficiency programs.

No cost information is required for this advice filing.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any schedule or rule.

**EFFECTIVE DATE**

This advice filing will become effective on the 40<sup>th</sup> calendar day after the date filed, which is December 19, 2001.

**NOTICE**

Anyone wishing to protest this advice filing may do so by letter via U.S. Mail, facsimile, or electronically, any of which must be received by the Energy Division and SCE no later than 20 days after the date of this advice filing. Protests should be mailed to:

IMC Program Manager  
Energy Division  
California Public Utilities Commission  
505 Van Ness Avenue, Room 4002  
San Francisco, California 94102  
Facsimile: (415) 703-2200  
E-mail: [jjr@cpuc.ca.gov](mailto:jjr@cpuc.ca.gov)

Copies should also be transmitted to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this advice letter should also be sent by letter and transmitted via facsimile or electronically to the attention of:

Akbar Jazayeri  
Director of Revenue and Tariffs  
Southern California Edison Company  
2244 Walnut Grove Avenue, Rm. 303  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: lawlerem@sce.com

Bruce Foster  
Vice President of Regulatory Operations  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2040  
San Francisco, California 94102  
Facsimile: (415) 673-1116  
E-mail: fosterbc@sce.com

There are no restrictions on who may file a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section III, Paragraph G, of General Order No. 96-A, SCE is mailing copies of this advice filing to the interested parties shown on the attached service list as well as the Special Public Purpose Service List, R.98-07-037 and A.00-11-043. Address change requests to the attached GO 96-A Service List should be directed to Emelyn Lawler at (626) 302-3985 or by electronic mail at [Emelyn.Lawler@sce.com](mailto:Emelyn.Lawler@sce.com). For changes to the other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [lpd@cpuc.ca.gov](mailto:lpd@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing open for public inspection at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <http://www.sce.com/> and choose Regulatory Info Center/Advice Letters.

For questions, please contact James Yee at (626) 302-2509 or by electronic mail at [yeejw@SCE.com](mailto:yeejw@SCE.com).

**Southern California Edison Company**

Akbar Jazayeri

AJ: jy/eml  
Enclosures

# Exhibit 1

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

**AGREEMENT #3 BETWEEN THE CALIFORNIA ENERGY COMMISSION, PACIFIC  
GAS AND ELECTRIC COMPANY, AND SOUTHERN CALIFORNIA EDISON COMPANY  
IN RESPONSE TO DECISION 01-06-037 AND RESOLUTION  
E-3592 REGARDING TRANSFER OF SPECIFIED PUBLIC PURPOSE ENERGY  
EFFICIENCY FUNDS TO THE CALIFORNIA ENERGY COMMISSION**

**AN ATTACHMENT TO SUPPLEMENTAL ADVICE LETTERS  
FILED PURSUANT TO RESOLUTION E-3592**

Jointly submitted by:

California Energy Commission  
Pacific Gas and Electric Company  
Southern California Edison Company

November 8, 2001

AGREEMENT #3 BETWEEN THE CALIFORNIA ENERGY COMMISSION, PACIFIC GAS  
AND ELECTRIC COMPANY, AND SOUTHERN CALIFORNIA EDISON COMPANY  
IN RESPONSE TO D.01-06-037 AND RESOLUTION E-3592 REGARDING TRANSFER OF  
SPECIFIED PUBLIC PURPOSE ENERGY EFFICIENCY FUNDS TO THE CALIFORNIA  
ENERGY COMMISSION

**I. BACKGROUND ON PRIOR CEC-UTILITY MA&E AGREEMENTS**

On April 1, 1999, the California Public Utilities Commission (CPUC or Commission) adopted Resolution (R.) E-3592, which addresses certain Advice Letter Requests for Approval of the Program Year (PY) 1999 Energy Efficiency Programs filed by Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE). Resolution E-3592 authorized an annual expenditure of \$2.100 million for CEC data collection for certain market assessment and evaluation (MA&E) studies.

The Resolution required the utilities to enter into a written agreement with CEC that outlined the specific use of the funds, the process for transfer of funds and the return of unused funds to the respective utilities.<sup>1</sup> The utilities were also directed to file the agreement with the Commission as a supplemental advice letter to the respective advice letters addressed under the Resolution.

The CEC and the utilities reached an agreement in May 1999 (“CEC-Utility MA&E Agreement #1”), and submitted it to the Commission for approval through supplemental advice filings. The Commission approved the filings and CEC-Utility MA&E Agreement #1 became effective on September 20, 1999.

In a subsequent ruling, D.99-12-053, the Commission authorized the utilities to fund additional CEC MA&E studies in the sum of \$0.800 million. CEC and the utilities entered into MA&E Agreement #2 on March 28, 2000 to transfer the additional funds to CEC. The utilities filed advice filings with the Commission pursuant to Resolution E-3592 in March and April 2000. The advice filings were approved by the Commission and became effective in May 2000.

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<sup>1</sup> CEC was directed to set up a separate trust account for receipt of the funds.

## **II. BACKGROUND FOR CEC-PG&E-SCE MA&E AGREEMENT #3**

This CEC-PG&E-SCE MA&E Agreement #3 implements the Commission's rulings in Decision 01-06-037, dated June 14, 2001, concerning the utilities' PY2000 and PY2001 applications as discussed below.

The utilities filed PY 2000 program applications on September 27, 1999. The applications proposed to use the \$2.1 million budgeted for a CEC Residential Appliance Saturation Survey (RASS) instead of the Commercial End Use Survey (CEUS) and Updates to the Database of Energy Efficiency Resources (DEER) projects previously approved. The applications also requested an additional \$2.1 million for PY 2001 to fund the second half of the CEUS and additional DEER projects administered by the CEC. The following table illustrates the proposal:

	1999	2000	2001
CEUS	\$1.7 million		\$1.7 million
DEER Updates	\$400,000		\$400,000
Residential Appliance Saturation Survey (RASS)		\$2.1 million	
Total	\$2.1 million	\$2.1 million	\$2.1 million

On November 15, 2000, the utilities filed their PY 2001 applications which proposed to reallocate the PY 2000 funds for CEC-administered programs, with \$1.9 million to be allocated to RASS and \$200,000 to CEUS. The applications reiterated the utilities' previous request for an additional \$2.1 million (\$1.7 million for CEUS and \$400,000 for DEER) for 2001.

Decision 01-06-037 adopted the utilities' PY2000 and PY2001 proposals. The Commission ruled in D.01-06-037 that the studies proposed in the utilities' 2000 and 2001 applications are "reasonable and necessary to provide basic data, particularly on customer characteristics, energy use, and energy-using technologies, and that the CEUS and DEER studies had begun and require second year funding and funds have been encumbered for the RASS." D.01-06-037, p.11.

**CPUC Approved CEC-Administered Studies & Budgets:**

Study Title	Approved PY 2001 Budget
DEER Update—SPC/Load Shape Data Collection & Analysis	\$400,000
Commercial End Use Survey (CEUS)	\$1,700,000
Residential Appliance Saturation Survey (RASS)	
<b>Total</b>	<b>\$2,100,000</b>

The Commission further ruled that each utility should allocate the following budget to fund the CEC-administered studies:

**Each utility should allocate the following budget to fund the CEC-administered studies:**

Utility	Approved PY 2001 Budget
SCE	\$680,000
PG&E	\$945,000
SDG&E	\$287,000
SoCalGas	\$204,000
<b>Total<sup>2</sup></b>	<b>\$2,116,000</b>

In accordance with D.01-06-037 and the background described above, the CEC, PG&E, and SCE have reached an agreement as set forth below, for the transfer of \$1,625,000 to CEC to fund CEC-PG&E-SCE MA&E Agreement #3. This CEC-PG&E-SCE MA&E Agreement #3 supplements but does not replace CEC-Utility MA&E Agreement #2.

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<sup>2</sup> This footnote appears in Attachment A of D.01-06-037 (page 5 of 5) and states: “We include the actual amounts requested by SDG&E and SoCalGas, which make the total for the CEC-administered projects slightly more than \$2.1 million.”

### **III. TRANSFER TO THE CEC OF SPECIFIED ENERGY EFFICIENCY FUNDS**

#### **A. *CEC Transfer Account, Transfer Schedule and Transfer Amounts***

Unless otherwise directed by the Commission or the Legislature, the undersigned parties agree that for PY2001, PG&E and SCE will electronically transfer a total of \$1,625,000 (of the total public purpose program surcharge funds currently collected annually by the utilities for various Energy Efficiency programs) directly to the CEC's "Public Goods Charge Trust Account" trust account established for these funds on or before **December 31, 2001**.<sup>3</sup> The CEC agrees to use these funds to carry out the energy efficiency MA&E activities specified herein.

#### **B. *Return of Remaining Funds***

The parties agree that any unencumbered funds remaining at the end of the fiscal year 2001/2002 expenditure period specified by the Commission will be returned by the CEC to the respective utilities' energy efficiency programs. This return of funds will take place electronically on or before **September 30, 2002**.

The parties further agree that if the Commission issues an adverse ruling on the advice filing that PG&E and SCE intend to file to implement the transfer of funds to the CEC, the CEC shall return all funds to PG&E and SCE in accordance with the Commission's directives, on or before September 30, 2002.

Refunds are to be sent to the utilities at the following addresses:

To PG&E:

Robert B. McLennan, Esq.  
Pacific Gas and Electric Company  
77 Beale Street, 31st Floor  
Post Office Box 7442  
San Francisco, CA 94120  
Phone: (415) 973-2069  
Fax: (415) 973-0516

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<sup>3</sup> Additional Information on the CEC Bank Account for the funds transfer: Bank: Bank of America, Sacramento #1489; Address: 555 Capitol Mall Suite 265, Sacramento, CA 95814; Bank ABA # 121000358; Bank Account # 01482-80005; Bank Account Name: State of California; Added info: Public Goods Charge Trust Account/CA Energy Commission.

To SCE:

Southern California Edison Company  
Attn: Marian Brown  
2131 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, CA 91770  
Phone: (626) 302-8281  
Fax: (626) 302-6253

The parties are hopeful, but not certain, that the proposed transfer/repayment schedules listed above will be adequate to meet the program needs. However, because of unavoidable uncertainties regarding the specific dates of program implementation and cost encumbrance by the CEC, the parties agree that if a need arises for an alteration of the payment schedule, the parties reserve the right to go back to the Commission if an acceptable resolution cannot be reached.

**C. *Specific Use of the Transferred Funds***

The \$1,625,000 which PG&E and SCE will transfer to the CEC in 2001 pursuant to D.01-06-037 will be used by the CEC to conduct the DEER Update, CEUS and RASS studies. Further details regarding this work are contained in **Attachment A** to this Agreement, which contains the CEC's specific plan for expenditure of these funds.

**III. CONCLUSION**

Consistent with the provisions contained in D. 01-06-037 and Resolution E-3592, the CEC, PG&E, and SCE hereby jointly submit this Agreement concerning the funding transfer mechanisms and related requested information concerning the transfer of certain energy efficiency funds from the utilities to the CEC in connection with CEC-PG&E-SCE MA&E Agreement #3.

Dated this 8th day of November, 2001, and respectfully submitted by:

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DAVID F. ABELSON\*  
Attorney for the  
California Energy Commission  
1516 9th Street  
Sacramento, CA 95814  
Phone: (916) 654-3969  
Fax: (916) 654-3843

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ROBERT B. McLENNAN\*  
Attorney for  
Pacific Gas and Electric Company  
77 Beale Street, 31st Floor  
Post Office Box 7442  
San Francisco, CA 94120  
Phone: (415) 973-2069  
Fax: (415) 973-0516

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LAURA A. LARKS  
Attorney for  
Southern California Edison Company  
2244 Walnut Grove Avenue  
Post Office Box 800  
Rosemead, CA 91770  
Phone: (626) 302-2908  
Fax: (626) 302-2050

November 8, 2001

\*The attorneys for the CEC and PG&E have authorized Laura A. Larks to sign this agreement on their behalf.

## **CEC-PG&E- SCE MA&E AGREEMENT #3**

### **ATTACHMENT “A”**

#### **SPECIFIC DETAILS REGARDING THE CEC’S PLAN FOR USE OF THE PROGRAM YEAR 2001 ENERGY EFFICIENCY FUNDS**

**Note:** The following project descriptions are a copy of the revised market assessment and evaluation plan for CEC-managed statewide studies that was submitted to and approved by the Commission in Decision 01-06-037, effective June 14, 2001.<sup>4</sup>

#### **STATE LEVEL STUDIES**

The California Energy Commission (CEC) submits the following revised market assessment and evaluation (MA&E) plan for CEC-managed statewide studies in response to Ordering Paragraph (OP) 4 in Decision 01-01-060.

##### ***California Energy Commission (CEC) Data Collection and Analysis Area***

##### ***Annual Budgets***

Approved 1999: \$2,100,000

Approved 2000: \$2,100,000

Proposed 2001: \$2,100,000

##### ***Introduction/Background***

The focus of this area is the collection and analysis of basic data about customer characteristics, energy use, and energy-using technologies that provide the foundation for energy efficiency program planning and evaluation, energy demand analysis, and market monitoring. In the past, customer characteristics data were provided to the CEC by the state’s utilities through general rate case authorizations. However, with the passage of California State Assembly Bill 1890, these data collection efforts were no longer funded through the traditional mechanism, although utilities are still required to provide the data under the California Code of Regulations, Title 20. In Resolution E-3592, the CPUC, acknowledging the value of Title 20 survey research to cost-effective energy efficiency and conservation activities (Ordering Paragraph 82), authorized the utilities to transfer a total of \$2.1 million for two years to the CEC for Title 20 data collection activities. This includes \$1.7 million per year for two years (1999 and 2000) to support a commercial building survey

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<sup>4</sup> The formatting was revised to provide clarity.

(also known as the commercial end use survey, or CEUS), for a total CEUS budget of \$3.4 million, and \$800,000 (\$400,000 per year) for updates to the Database of Energy Efficient Resources (DEER). The CEC has awarded the CEUS contract and funds were encumbered at the December 6, 2000 CEC business meeting.

The bulk of the CEC request for 2001 PGC funding is for the second year of CEUS data collection, so that the CEC may use PY 2000 funds to begin a residential appliance saturation survey (RASS), as we proposed in our 2000 MA&E submittal. In the utilities' PY 2000 filing, the CEC modified its PY 1999 proposal to request an additional \$2.1 million from PY 2001 to fund the second half of the CEUS and additional DEER work, and to use PY 2000 funds instead for a RASS. The CEC's budget as proposed in the PY 2000 filing is shown in Table 1 below. Our PY 2001 proposal (Table 2) reflects only a slight deviation from this, reducing the amount allocated to RASS and increasing CEUS by \$200,000, reflecting better estimates of the costs of the projects.

Table 1: CEC PY 2000 MA&E Plan

<b>PROJECT</b>	<b>1999 Approved Funding</b>	<b>CEC's PY 2000 MA&amp;E Proposal<sup>5</sup></b>		<b>Total Budget Required</b>
	<b>BUDGET Yr. 1999 (\$ 000)</b>	<b>BUDGET T Yr. 2000 (\$ 000)</b>	<b>BUDGET Yr. 2001 (\$ 000)</b>	
Commercial Building Survey (CEUS)	1,700	-	1,700	3,400
Residential Appliance Saturation Survey (RASS)		2,100	-	2,100
DEER Database Enhancements	400	-	400	800
<b>TOTAL</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>	<b>6,200</b>

Table2: CEC PY 2001 MA&E Plan

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<sup>5</sup> Table 6, Summary of CEC Data Collection Activities and Budgets, p. 8-57, Application of Pacific Gas and Electric Company for Approval of Program Years 2000 and 2001 Energy Efficiency Programs, Application 99-09-050, Filed September 27, 1999.

	<b>1999 Approved Funding</b>	<b>2000 Committ ed</b>	<b>CEC's PY2001 MA&amp;E Proposal<sup>6</sup></b>	<b>Total Budget Required</b>
<b>PROJECT</b>	<b>BUDGET Yr. 1999 (\$ 000)</b>	<b>BUDGET Yr. 2000 (\$ 000)</b>	<b>BUDGET Yr. 2001 (\$ 000)</b>	
Commercial Building Survey (CEUS)	1,700	200	1,700	3,600
Residential Appliance Saturation Survey (RASS)		1,900	-	1,900
DEER Database Enhancements	400	-	400	800
<b>TOTAL</b>	<b>2,100</b>	<b>2,100</b>	<b>2,100</b>	<b>6,200</b>

As Table 1 shows, CEC's PY 2000 MA&E plan required a budget of \$6.2 million over three years. However, the utilities did not include any 2001 funding for the CEC in their budgets.<sup>7</sup> Given the uncertainty of 2001 funding, the CEC delayed initiation of the RASS until late in 2000 when we hoped the funding situation would become clearer. A contractor was selected and approved, and based on the utility support for PY 2001 funding evidenced in the November 15<sup>th</sup> filings, the CEC encumbered funds at the December 20, 2000 CEC business meeting. However, work is now being delayed until a final CPUC decision. If no PY 2001 money for the CEC is approved, the CEC would assume that neither our proposed 2000 nor 2001 MA&E budgets have been approved by the CPUC, and E-3592 would govern our actions. We would use all 1999 and 2000 funds for the CEUS.

In E-3592, Ordering Paragraph 83, the CPUC directed the utilities to "cooperate with the CEC and its contractors in providing information and data needed to conduct the survey(s) and perform subsequent analyses, including delivery of the utilities' appropriate billing file records to enable sampling, individual billing histories for sampled accounts and load metering data." Because utility cooperation enables the most cost-effective means to implement such surveys, the CEC requests that this provision be made applicable to the residential survey as well. The CEC agrees to maintain the confidentiality of individual customer data as per California Code of Regulations, Title 20, Section 2501 et seq.

<sup>6</sup> P. G-45, Attachments to Testimony of Southern California Edison Company In Support of Application for Approval of Program Year 2001 Energy Efficiency Program Plans, Budgets, and Performance Award Mechanism, Filed November 15, 2000.

<sup>7</sup> See, e.g., Table 2-7 in the Application of Pacific Gas and Electric Company for Approval of Program Years 2000 and 2001 Energy Efficiency Programs, Application 99-09-050, Filed September 27, 1999.

### ***Analysis of Information Needs***

Customer characteristics data include information on customer appliance and equipment holdings, building characteristics, conservation measures and behavior, demographics, operational characteristics of firms, and load shifting opportunities and behavior. These data benefit energy efficiency program planning and evaluation in several ways. The surveys provide direct inputs to energy efficiency programs and building standards development by collecting data on energy efficiency measure penetrations and providing information on potential market segments and impacts. But customer characteristics data also provide indirect support to energy efficiency programs: they are used to develop inputs for energy demand analysis and forecasting models that then provide baseline assumptions and inputs for analysis of efficiency measures. For example, CEC residential unit energy consumption estimates serve as the basis for calculating measure savings in the DEER, which the utilities use as the default source for cost-effectiveness values. These estimates are developed as part of the CEC forecasting process and are based on data collected through residential customer surveys. To the extent that CEC forecasts are based on obsolete data, CPUC energy efficiency program evaluation is compromised.

As utilities adapt their programs to focus more on load impacts, it will be increasingly important to have current data on hourly consumption patterns to develop improved load shapes and estimates of hourly impacts of energy efficiency measures. The CEC energy demand forecast must also account for hourly demand at a less aggregated level than the existing utility planning areas (e.g., ISO transmission congestion zone level), requiring updated and more detailed load shape data.

The CEC has not received any new residential survey data since 1995. Commercial survey data was last collected in 1996. The most recent industrial survey was completed by SCE in 1997. Meanwhile, energy uses have changed as people use more electronic equipment, and the characteristics of buildings have changed as larger but more efficient new homes are built. Collecting and analyzing this data will ensure that the state's energy demand forecasts and analyses are based on an accurate assessment of current energy use patterns. The CEC forecasts are essential for system reliability assessments, energy efficiency program planning, and are used by the ISO and PG&E for transmission planning.

### ***Coordination***

Coordination efforts for conducting these activities has begun and will continue with MAESTRO. Study team members will include interested representatives from the utilities to facilitate identification of utility-specific data needs that can be met through the surveys.

### ***Approach to Disseminating Results***

To facilitate and widen the distribution of study results, a number of steps will be investigated and undertaken. At a minimum, the following processes will be employed:

- 1) Concerned parties such as program managers and policy-makers will be noticed of report

- availability via utility and industry Web sites, direct e-mail lists, and other contact lists;
- 2) Reports and presentation summaries of reports will be posted in easily accessible and readable electronic format on one or more Web sites (possibilities include: utility, contractor, CALMAC, egrouops.com, etc.); and,
  - 3) Presentations of project results will be offered to appropriate utility program managers and other groups.

## **PROPOSED SPECIFIC PROJECTS FOR 2000/2001**

### ***Summary Table***

The following table lists the CEC data collection activities for 2000/2001. The following sections provide additional details on each proposed activity.

**Summary of CEC MA&E Activities for 2000/2001**

<b>MA&amp;E Activity</b>	<b>1999 and 2000 Budget (\$000)</b>	<b>2001 Budget (\$000)</b>
DEER Update	400	
DEER – SPC/Load Shape Data Collection and Analysis		400
Commercial End Use Survey (CEUS)	1,900	1,700
Residential Appliance Saturation Survey (RASS)	1,900	
<i>Total</i>	<b>4,200</b>	<b>2,100</b>

\* **Budget has been spent or committed**

## **SUMMARY OF 2001 PROJECTS**

### ***Project Name: Database of Energy Efficiency Resources (DEER) - Load Shape Data Collection and Analysis***

***Description and Rationale:*** The DEER is a repository of costs and energy impacts for efficiency measures and technologies. An update of the measure cost and residential energy savings portions of the database will be completed in April 2001. Peak impacts of residential measures will also be updated using existing load shapes. The main applications of this database are to provide default values for cost-effectiveness evaluation of utility programs, and to provide the CEC with data for evaluation of current and future potential energy savings. The work proposed for PY 2001 is based on a current assessment of data needs and may be amended if higher priority needs emerge as the utilities continue to adapt their programs in response to CPUC directions.

The nonresidential standard performance contract (SPC) program has a need for development of incremental measure cost data for measures currently not included in the DEER. Because SPC

incentives are paid per kilowatt-hour saved, rather than per measure installed, new methodologies development for applying measure cost data to the SPC program must be developed. Other program areas may also have new measures for which cost data is needed as well. The CEC will contact all program managers to identify new data needs.

With the recent shift in focus to achieving peak savings through energy efficiency, load management, and distributed generation, we also anticipate the need to provide updated load shapes and load impacts at the end use level to assist program managers in estimating the cost effectiveness of new programs, load control technologies, or energy management systems.

**Research Objectives:** The primary objective of this project is to ensure that the DEER contains up-to-date cost and savings values for energy efficiency measures currently or potentially applied in California. This project will use appropriate methods, consistent with past DEER studies, to develop reliable data for evaluation of energy efficiency and load management program cost-effectiveness.

**Proposed Budget:** \$400,000. This funding will allow continued updating of measure cost data as new measures are added to programs, and load metering data collection and development of load shapes (done in coordination with the CEUS and RASS).

**Project Timing:** Planning to identify specific data needed to support the SPC program would begin in April 2001, with actual data collection beginning in July 2001.<sup>8</sup>

**Summary of Activity Categories Addressed:** Baseline Estimation, Cost-effectiveness data

**Program Areas, Programs, Program Elements Addressed:** Residential, Nonresidential

**Project Name: Commercial End Use Saturation Survey (2nd Year Funding)**

**Description and Rationale:** Commercial End-Use Surveys (CEUS) provide the basic data on building characteristics and consumption patterns necessary to support policy analysis, energy demand forecasting, market monitoring and measuring energy efficiency within the marketplace. The CEUS will provide information related to building characteristics, equipment, operation and energy consumption for the following uses:

- Commercial sector energy efficiency and load management program development, measurement and evaluation
- Development of energy end-use estimates and end-use load profiles by commercial market segment

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<sup>8</sup> Delay in the adoption of the PY2001 MA&E plans will shift the start of this work to the Spring of 2002.

- Development of end-use saturation estimates for input into CEC end-use forecasting models
- Development of a building energy demand analysis model that can analyze hourly energy use for user-defined market segments, for analyses such as assessing hourly impacts of load management strategies and building standards.

The scope of this project is to: 1) design a representative sample of commercial buildings and collect the required characteristic data through on-site surveys in the service areas of Pacific Gas & Electric, Southern California Edison, San Diego Gas & Electric and the Southern California Gas Company; 2) construct calibrated engineering simulation models for individual buildings; 3) organize the engineering simulation models in a batch environment for performing energy demand analysis; and 4) prepare and present both confidential and public data sets and reports on project results.

***Research Objectives:***

1) Collect data to construct and calibrate engineering models that predict end use consumption, and to support energy efficiency program planning and evaluation. While there is significant overlap between these two types of data, differences in the level of detail, type of data needed, and appropriate method of collection will be addressed in the design of survey instruments and data collection protocols.

2) Construct calibrated DOE-2 models that will produce valid estimates of hourly, monthly, and annual energy use. This will require the use of interval-meter data and development of detailed, geographically specific weather series. DOE-2 models will be provided to both CEC and to each participating utility.

3) Construct a building demand analysis model that can be used to analyze specific commercial market segments or buildings at the hourly level. End use intensities and load profiles will be developed to demonstrate the model. Potential uses for the model include:

- Investigating the time of use impacts from installing energy saving technologies and from incorporating load management strategies in buildings
- Developing electric and natural gas end-use estimates by commercial market segment and geographical location
- Developing hourly end-use load profiles by market segment and geographical location
- Evaluation of energy efficiency standards

***Proposed Budget:*** Total project budget is \$3.6 million, using \$1.9 million in 1999 funds. \$1.7 million is requested in 2001 funds. The bulk of these expenditures will be for on-site surveys, as well as development of engineering simulation models.

***Project Timing:*** A contractor has been selected and work is beginning in March 2001. The entire project will take three years to complete.

**Summary of Activity Categories Addressed:** Market Assessment and Tracking, Market Characterization, Baseline Estimation

**Program Areas, Programs, Program Elements Addressed:** Nonresidential

**Project Name: Residential Appliance Saturation Survey (RASS)**

**Description and Rationale:** This project will collect data from residential customers, via mail, on-site visits, and metering, about the energy-related characteristics of homes, the number and characteristics of appliances and equipment, and how people use energy. This information is essential to understanding issues such as:

- Which end uses are growing fastest?
- Which use the most energy at key times of the day?
- How would different types of residential customers be affected by alternative rate structures?
- What are opportunities for new energy efficiency programs and standards?

The scope of this project is to: 1) design sample methodologies and survey instruments; 2) collect the required characteristic data; 3) validate and analyze survey data, including development of saturations and end use intensities; and 4) prepare and present both confidential and public data sets and reports on project results, in a format useful for the Commission, utilities, and others interested in residential energy demand analysis. The analysis will incorporate data provided by utilities and collected through other surveys, including the Statewide Residential Lighting and Appliance Saturation Study completed in 2000.

The major benefit of this RASS is the updated and enhanced quality of appliance saturation and usage input files, which are the prime data used in the Commission's residential energy demand forecasts. As in earlier surveys, the RASS has three main informational objectives: determining the penetration of residential appliances, defining the characteristics of the residential population and its dwelling units, and describing usage patterns of electricity and natural gas consumption. In addition, the Commission plans to use this survey to collect information to support assessment of price responsiveness and load management rules or programs. This RASS, although to be performed at a statewide level, will also be disaggregated to utility planning areas. An additional benefit of this whole state RASS is that the survey questions will be much more consistent than in the past, enabling comparison of characteristics across areas.

**Research Objectives:**

- 1) Develop energy end-use estimates to support energy and peak demand analysis using conditional demand analysis combined with end-use metered data.
- 2) Collect data on population and housing characteristics.
- 3) Develop end-use and efficiency measure saturation estimates to support energy efficiency and load management program development, measurement, and evaluation, and

- 4) Develop hourly load shapes using metering data and available class load research data.
- 5) Collect and analyze data to evaluate potential impacts of strategies to increase price responsiveness of energy-using systems in homes.

**Proposed Budget:** Total project budget is \$1.9 million in 1999 funds. This to include a combination of survey methods (e.g., mail and on-sites) as well as some load metering. No 2001 funds are requested, but this project is described here because the project will only be undertaken if the second-year CEUS funding described earlier is expected to be approved.

**Project Timing:** A contractor has been selected and work will begin immediately upon CPUC approval of this budget, at which time the project schedule will be developed as part of the research plan.

**Summary of Activity Categories Addressed:** Market Assessment and Tracking, Market Characterization, Baseline Estimation

**Program Areas, Programs, Program Elements Addressed:** Residential.

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 30234-E*	Preliminary Statement Part N	Revised 30257-E
Revised 30235-E	Table of Contents	Revised 29962-E

PRELIMINARY STATEMENT

Sheet 88

(Continued)

N. MEMORANDUM ACCOUNTS (Continued)

55 Energy Efficiency DSM (EEDSM) Memorandum Account

The purpose of the EEDSM Memorandum Account is to record the Company's portion of the electronic transfer of funds to the California Energy Commission (CEC) to conduct studies as ordered by the Commission in Resolution E-3592, Decision No. 99-12-053, and Decision No. 01-06-037. The studies are associated with 1) Commercial Building Survey, 2) Update of the Database for Energy Efficiency Resources, 3) Year 1999 Non-Residential Remodeling and Renovation and the Year 1999 Non-Residential Market Share Tracking Activities, 4) Year 2000 Non-Residential Remodeling and Renovation and the Year 2000 Non-Residential Market Share Tracking Activities, and 5) Year 2001 Commercial Building Survey, and Update of the Database for Energy Efficiency Resources. These studies are required for the continuation of Commission required annual data used in cost effectiveness measures. The specific dates and amounts of the electronic transfer of funds to the CEC shall be made in accordance with TABLE A as follows:

TABLE A  
Semi-Annual Fund Transfer Schedule

<u>Transfer Date</u>	<u>\$Amount</u>	
1 <sup>st</sup> Payment*	340,000	
12/31/99	340,000	
1999 Supplement**	254,000	
6/30/00	467,000	
12/31/00	467,000	
12/31/01	680,000	(N)

A debit entry shall be made to the EEDSM Memorandum Account in the month in which the electronic transfer is made to the CEC, as specified above. A credit entry shall be made, if any is required, to the EEDSM Memorandum Account at the end of the expenditure period to reflect any unencumbered funds which are returned to the Company.

Interest shall accrue to the EEDSM Memorandum Account by applying the Interest Rate to the average of the beginning and ending account balance.

At the end of each year, the Company shall transfer the balance in the EEDSM Memorandum Account to the Public Purpose Programs Adjustment Mechanism (PPPAM) where the authorized energy efficiency funds are reflected.

\* The first transfer will take place within 15 days of approval of Advice 1348-E/E-A/E-B/E-C/E-D.

\*\* The 1999 Supplement transfer shall take place within 15 days of approval of Advice 1448-E

(Continued)

(To be inserted by utility)

Advice 1585-E  
Decision 01-06-037

Issued by

John R. Fielder  
Senior Vice President

(To be inserted by Cal. PUC)

Date Filed Nov 9, 2001  
Effective Dec 19, 2001  
Resolution \_\_\_\_\_



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(To be inserted by utility)  
Advice 1585-E  
Decision 01-06-037

Issued by  
John R. Fielder  
Senior Vice President

(To be inserted by Cal. PUC)  
Date Filed Nov 9, 2001  
Effective Dec 19, 2001  
Resolution \_\_\_\_\_

April 12, 2002

California Public Utilities Commission  
505 Van Ness Avenue, Room 4005  
San Francisco, CA 94102

Attn: Jerry Royer  
Energy Division

Re: Substitute Sheet for Advice 1585-E

Dear Mr. Royer:

Enclosed is an original and six copies of Attachment A and substitute Sheet No. 30234-E\*<sup>1</sup> for Advice 1585-E. This substitute sheet is necessary to update it to include the most current and approved tariff language. Sheet No. 30234-E\* was originally filed denoting language and sheet numbering implemented by Advice 1448-E because a subsequent advice letter, Advice 1586-E-A which also revised this particular tariff sheet, had not yet been approved; however, now that Commission approval has been received for Advice 1586-E-A, it is necessary to reflect the information contained within Advice 1586-E-A rather than 1448-E on Sheet No. 30234-E\* for Advice 1585-E.

Please replace the enclosed sheets in your master Advice Letter 1585-E file. If you have any questions, please contact Reneé Vazquez at (626) 302-2077.

Sincerely,

Enclosures  
1585Esub.doc

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<sup>1</sup> Asterisk denotes a substituted sheet.