

89. In order to facilitate our review of the 2013-2014 portfolio applications, it is reasonable to require a minimum level of strategic assessment and identification of expected market effects anticipated from specific programs.

90. Frozen ex ante savings parameters and tracking data should be submitted and evaluated as part of a systematic process that creates a connection between ex ante savings parameters, unverified tracking data, and impact evaluations. The goal of the incentive mechanism should be to foster greater innovation and creativity within the utilities' engineering and management and to ensure that energy efficiency savings (not merely savings account) became a top priority.

O R D E R

IT IS ORDERED that:

1. No later than July 2, 2012, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file applications to establish energy efficiency programs and budgets for 2013 and 2014.
2. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall use the new avoided cost calculator (which includes the recommended data inputs) and the after-tax Weighted Average Cost of Capital as the discount rate.
3. Commission Staff shall continue their efforts to update cost-effectiveness methodologies. In particular, Staff shall continue to explore issues related to calculation of the discount rate so that improvements may be made to the energy efficiency cost-effectiveness methodology for use in planning future portfolios
4. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall

include in their portfolio applications a prospective showing of the estimated Total Resource Cost and Program Administrator Cost ratios for their proposed portfolios.

5. In their review of utility proposed ex ante values for new measures, Commission Staff shall balance the need for accurate ex ante values with the equally important need to continuously augment the portfolios with new technologies that offer promise.

6. Commission Staff shall strive for uniform statewide Net-To-Gross planning values that represent typical expected results in the Database of Energy Efficient Resources update for the next planning cycle for measures in which the variation between utilities is not significant.

7. Commission Staff shall undertake research in support of Database of Energy Efficient Resources updates when the existing evaluations results, analysis methods and other research literature are found lacking.

8. The proposed dispositions for issues provided in Attachment A to this Decision are adopted and Commission Staff shall modify the final Database of Energy Efficiency Resources 2011 release to include all changes in those proposed dispositions.

9. Commission Staff shall provide notice to the service list of this proceeding within five days of the effective date of this Decision of the location of the final Database of Energy Efficiency Resources 2011 release which shall be utilized for 2013-2014 program planning and reporting.

10. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall use the clarifying direction contained in the adopted dispositions for issues in

Attachment A to this Decision in ex ante value filings required by this Commission.

11. Commission Staff shall provide separate Net-To-Gross values for gas and electric projects that are developed for those types of projects alone, unless the values are sufficiently similar that a single value is warranted.

12. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall not curtail custom measure and project activities due to low gross savings or Net-to-Gross results.

13. Commission Staff shall track the results of its custom project and measure review activities, as well as related 2010-12 impact evaluation activities, and report any results on Net-to-Gross values in a timely manner so as to inform the adoption of ex ante update values for the next program cycle.

14. Commission Staff shall assign a new Net-to-Gross category for Emerging Technology measures with a default Net-to-Gross value of 0.85.

15. Commission Staff shall accept or reject a proposed Emerging Technology measure classification and set any Emerging Technology measure's Net-to-Gross ratio at a higher value than the default value as it deems appropriate.

Energy Savings Goals

16. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall endeavor to exceed the behavioral programs participation minimum of 5% of the households represented in their program portfolios, by pursuing behavioral programs on a greater scale if they believe this goal underestimates potential in this area.

17. The goals for the 2013-2014 transition portfolio based on the 2011 Potential Study are adopted.

18. The compliance rates shall remain constant at 85% for appliances and 83% for codes.

19. Codes and Standards goals are adopted on an adjusted net basis.

20. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall be given credit for 100% of evaluated savings from 2006-2008 on that persist into future program cycles, and shall be responsible for making up one half of the decay.

Financing

21. By no later than August 1, 2012, San Diego Gas & Electric Company and Southern California Gas Company shall hire, on behalf of themselves, Pacific Gas and Electric Company, and Southern California Edison Company, and co-funded by all of the named utilities, an expert financing consultant to design new pilot financing programs for 2013-2014 and to convene working groups on the new program design and data collection needed to support scalable financing programs in the future.

22. In their 2013-2014 program portfolio filings, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose a statewide portfolio of financing programs funded at a level of at least \$200 million statewide over the two-year period, consisting of the following components:

- a. Continuation of and improvement to the on-bill financing programs currently in the utility 2010-2012 portfolios for non-residential customers;

- b. Continuation of successful financing programs that were originally supported by American Recovery and Reinvestment Act stimulus funding in 2011 and 2012 and implemented by third parties, local governments, and/or via the California Energy Commission; and
- c. A set of new financing programs to be designed in 2012, and then offered consistently on a statewide basis, in pilot form in 2013, and on a larger scale in 2014.

23. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose new statewide financing programs in their 2013-2014 portfolio applications for piloting in 2013 and full-scale offering in 2014, to include the following elements:

- a. A credit enhancement strategy for the single-family residential market and any other proposed single-family program approaches operating within existing statutory constraints;
- b. A financing program strategy designed specifically for the multi-family residential market that includes both credit enhancement and an on-bill repayment option and/or tariff-based energy efficiency improvement reimbursement mechanism that may require legislative change to fully implement;
- c. A credit enhancement strategy for the small business market; and
- d. An on-bill repayment strategy for all non-residential customers.

24. The on-bill repayment strategy for non-residential customers proposed for 2013-2014 shall not require bill neutrality and shall allow for pro-rata allocation of payments between utility bill obligations and loan repayment.

25. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall, beginning in 2012 and in consultation with the expert financing consultant hired

by San Diego Gas & Electric Company and Southern California Gas Company and a working group convened by the consultant, develop or contribute to a larger-scale database or databases of financing related data and information, that can be shared publicly after appropriately masking individual customer confidential information, and that consists of the following minimum types of information:

- a. Customer type;
- b. Host site characteristics;
- c. Utility payment history;
- d. Borrower credit scores and energy project repayment history;
- e. Energy project performance data; and
- f. Billing impacts comparing pre- and post-installation utility bills.

26. By the end of the third quarter of 2012, the expert financing consultant hired by San Diego Gas & Electric Company and Southern California Gas Company shall present 2013 pilot program design details in a written program plan and a public workshop.

27. No later than January 1, 2013, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall continue to provide On-Bill Financing programs and funding consistently statewide.

28. No later than August 1, 2012, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall provide funding for selected successful financing programs previously supported by American Recovery and Reinvestment Act funds in 2011 and 2012.

29. In their 2013-2014 energy efficiency program portfolio applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall address their strategy for maximizing portfolio cost-effectiveness by offering financing programs in coordination with rebate/incentive programs, either by offering financing in lieu of rebates and/or by lower incentives in cases where financing is also provided. The financing programs shall be considered resource programs designed to deliver additional energy efficiency savings beyond those available through other programs.

30. In their 2013-2014 energy efficiency program portfolio applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose a methodology to estimate incremental savings delivered by the statewide financing programs towards their energy savings goals, while avoiding double-counting of savings from other programs.

31. In 2013-2014 statewide financing programs, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall not require that all measures supported by financing programs be part of another utility incentive program.

Local Government, Government Partnerships and Third-Party Delivery

32. The 2013-2014 applications of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a separate set of criteria for increases in local government programs and shall be consistent with the overarching goal of deeper retrofits.

33. To the extent that Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, or Southern California Gas Company rejects any of the suggested criteria, its 2013-2014 application shall list those criteria and the rationale for rejecting them. The 2013-2014 applications shall also include the Program Implementation Plans (PIPs) of local government programs/partnerships that meet the expansion criteria, and a separate set of PIPs that meet the expansion criteria that were rejected.

34. Any Program Implementation Plan submitted by a local government shall demonstrate the extent to which the proposed regional pilots:

- a. Leverage additional state and federal resources so that energy efficiency programs are offered at lower costs to ratepayers;
- b. Address the water / energy nexus;
- c. Develop and deploy new and existing technologies;
- d. Address workforce training issues;
- e. Address hard-to-reach customer segments such as low to moderate income residential households and small to medium sized businesses; and
- f. Include an organizational chart that identifies the local governments that are part of the proposed regional pilot, a narrative description for each of their roles, and plans to coordinate.

35. Commission Staff shall conduct and/or oversee the evaluation of any local government pilots selected, in a manner consistent with the process set forth for evaluation of utility programs in Decision 10-04-029 and other decisions.

36. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall

contract for selected regional pilots and Commission Staff shall serve as a joint contract manager in the contract.

37. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify a minimum of 20% of funding for the entire proposed 2013-2014 energy efficiency portfolio that will be put out to competitive bid to third parties for the purpose of soliciting innovative ideas and proposals for improved portfolio performance.

38. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file with their 2013-2014 applications a table (“Third Party Procurement Table”) identifying all current Purchase Orders (or comparable contracts/agreements) between the utility and third parties funded through energy efficiency balancing accounts. The table shall include:

- a. The utility’s unique purchase order number;
- b. vendor name;
- c. detailed description of the procured activity;
- d. whether procurement supports utility- implemented program(s) or third-party implemented program(s);
- e. whether the vendor was chosen through competitive solicitation or bilaterally;
- f. start date;
- g. end date;
- h. purchase order amount;
- i. whether service is provided on a “performance basis” (Yes or No);
- j. description of performance basis terms and conditions, as applicable; and,

- k. determination of whether the purchase contributes to the utility's General Order 156 goals.
- l. Complete Purchase Orders (or comparable contracts/agreements) for every entry identified in the Third-Party Procurement Table.

39. The 2013-2014 applications of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall explain which existing third-party programs should be extended in 2013-2014 and why. If renegotiations of third-party implementer contracts will be necessary, the utility shall explain how it will ensure a timely start. In addition, each utility shall identify which existing third-party programs should be discontinued in 2013-2014 and why.

40. The 2013-2014 applications of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify additional opportunities to enlist new third-party implemented programs through competitive solicitations.

Reducing the Number and Complexity of Programs

41. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall exclude the separate statewide Heating, Ventilation and Air Conditioning and new construction programs from their transition portfolio applications.

However, the cross-sector collaborative activities and information-sharing tools that have been developed through these programs need not be discontinued.

42. The 2013-2014 applications of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify the elements of the existing statewide Heating, Ventilation and Air Conditioning and new construction programs they

recommend maintaining, and the remaining programs in which those activities and tools will be “housed” and funded.

Program Guidance for the Residential Sector

43. The 2013-2014 applications of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall reflect a recognition of the Energy Upgrade California program as a market transformation-oriented program.

44. Commission Staff shall use a Database for Energy Efficient Resources default net-to-gross ratio of 0.85 as a floor for Energy Upgrade California custom projects.

45. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their 2013-2014 Energy Upgrade California proposal strategies to better leverage the program to achieve energy savings from plug loads, appliances, lighting, and/or swimming pools.

46. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their 2013-2014 applications a proposal for a ten-year stepwise declining incentive structure for the Energy Upgrade California whole house program.

47. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a streamlined Heating, Ventilation and Air Conditioning Emergency Replacement Energy Upgrade California protocol in their 2013-2014 applications, based on the approach provided in Attachment B.

48. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall consider in their 2013-2014 applications whether a streamlined Heating, Ventilation and Air Conditioning Emergency Replacement Energy Upgrade California protocol should be available only to top-performing contractors with consistently strong quality assurance records or those with stronger building performance certification credentials.

49. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their 2013-2014 applications a "Fast Track" Energy Upgrade California job approval protocol based on the Heating, Ventilation and Air Conditioning Energy Replacement Protocol. This proposal shall apply more generally to the Energy Upgrade California program.

50. If needed, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose changes to the Heating, Ventilation and Air Conditioning Upstream Incentives program to bring it into alignment with Senate Bill 454, while preserving it as a cost-effective program.

51. No incentives for equipment requiring a building permit shall be provided any contractor or customer without that contractor or customer certifying that s/he has complied with all permit requirements and utilized a licensed contractor.

52. Programs proposed by Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall comply with Senate Bill 454 requirements, and all

applicable programs shall support Heating Ventilation and Air Conditioning permit acquisition as a matter of course.

53. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall institute the following changes to support Heating Ventilation and Air Conditioning (HVAC) permit acquisition in conjunction with their HVAC and Energy Upgrade California programs:

- a. Energy Upgrade California jobs involving HVAC replacements must include submittal of the HVAC permit number and a contractor certification that appropriate permits have been obtained, for inclusion in program records.
- b. Show in their 2013-2014 applications all programs to which the requirements above apply (and present copies of the incentive/rebate applications or other documentation) evidence that they are in full compliance with Senate Bill 454 and this decision.

54. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall consult with local governments, as well as regional and statewide government entities and include in their 2013-2014 proposals a budget for and a narrative description of the role that these entities shall play in advancing Energy Upgrade California objectives in 2013-2014.

55. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall work with the Commission Staff, the California Energy Commission and others to convene a workshop to review Energy Upgrade California workforce training needs upon completion of Energy Upgrade California process evaluations in 2012.

56. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify contractor and technician training objectives for the Energy Upgrade California program, consistent with its role as a market transformation program.

57. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall explore changes to the “basic” Energy Upgrade California program pathway to make it more appealing to moderate income households and shall propose these changes in their 2013-2014 applications.

58. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall establish Middle Income Direct Install programs in 2013-2014, if they have not yet done so, and shall explore expansion of eligible Middle Income Direct Install measures to improve the program’s comprehensiveness.

59. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall consult with relevant stakeholder groups, experts, and Commission Staff to develop a concrete proposal for implementing voluntary training and outreach partnerships with California’s real estate industry in their 2013-2014 applications.

60. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall work with local governments and the California Energy Commission to identify jurisdictions wishing to pilot incentives for Whole House Home Energy Rating System II assessments and/or ratings as part of the Energy Upgrade California program.

61. Commission Staff, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall work collaboratively with the California Energy Commission and other stakeholders to identify approaches to adequately broaden the allowable software under the Energy Upgrade California program while containing costs required for needed Commission Staff reviews.

62. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall clearly define the “whole house” program in their Program Implementation Plans for the 2013-2014 transition portfolio and include in their 2013-2014 Energy Upgrade California program estimates of the number of single-family homes they plan to participate in the program in the 2013-2014 transition period.

63. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their 2013-2014 applications the criteria they use to determine the best delivery channel for any given plug load or appliance incentive or intervention in their plug load and appliance Program Implementation Plans for the 2013-2014 transition period.

64. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall clearly identify in their 2013-2014 applications the selected delivery channels for all measures included in the Home Energy Efficiency Rebate and Business and Consumer Electronics programs and identify where synergies allow for more coordinated engagement work with retailers and manufacturers across the Home Energy Efficiency Rebate and Business and Consumer Electronics programs.

65. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall simplify and streamline the plug load and appliance programs in their 2013-2014 applications to maximize synergies with manufacturers and retailers and reduce administrative costs.

66. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall explore how their Business and Consumer Electronics and Home Energy Efficiency Rebate programs can support manufacturers' implementation of voluntary product specifications that support the development of mandatory "horizontal standards" for plug loads and appliances.

67. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their Home Energy Efficiency Rebate and Business and Consumer Electronics 2013-2014 program proposals a strategic discussion of how they will use these programs to advance market transformation toward Title 20 codes and standards changes.

68. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a reoriented Appliance Recycling Program in their 2013-2014 transition period proposals, and shall take all feasible steps to minimize costs associated with this program while maximizing savings.

69. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their 2013-2014 applications a timeline by which increased levels of incentives supporting the more efficient building codes expected to be adopted

in Title 24 can be incorporated into their Residential New Construction programs.

70. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify in their 2013-2014 applications (1) market barriers to achieving residential Zero Net Energy homes by 2020 and (2) the mechanisms that their proposed Residential New Construction programs will employ to address any such barriers starting in 2013.

71. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify in their 2013-2014 applications potential pilot projects or trials to test new program designs that would improve marketplace innovation and engagement and homeowner awareness within the 2013-2014 timeframe.

72. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall participate in efforts to develop a Zero Net Energy Roadmap that identifies efficiency measures which are likely to be adopted in the Title 24 Residential New Construction Standards in 2017 and 2020, for inclusion in their Residential New Construction program cycles beginning in 2015.

Program Guidance for the Commercial Sector

73. The implementation plans in the 2013-2014 applications of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall detail how the Direct Install and Deemed Incentive programs can utilize and coordinate with the Local Government Partnership Programs, and Business Improvement

Districts. Their Program Implementation Plans shall include a showing how they will utilize Business Improvement Districts to engage customers.

74. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall examine the effects of an audit requirement on customers implementing three or more measures. They shall set forth the results of this examination in their 2013-2014 applications.

75. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose to pilot the Building Energy Asset Rating System tool in their 2013-2014 applications.

76. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file Program Implementation Plans in their 2013-2014 applications that reflect raised incentive levels for Emerging Technologies in the 2013-2014 period.

77. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their 2013-2014 applications proposals to improve the measurement, retention, and use of performance data.

78. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall incorporate new approaches for their commercial programs to achieve deeper energy retrofits and packages of measures.

79. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and

Southern California Gas Company shall propose programs focused on overcoming the split-incentive barrier in multi-tenant buildings.

80. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall submit an approach for dealing with split incentives that includes incentives for sub-metering and plug load control technologies for both owner and non-owner occupied buildings.

Lighting

81. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose and budget for upstream rebates in the Primary Lighting subprogram for basic Compact Fluorescent Lamps to capture the remaining market potential of Compact Fluorescent Lamps, less any of the same potential captured through the Energy Saving Assistance Program during the same period.

82. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a Statewide Lighting Program in their 2013-2014 applications.

83. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall continue supporting the technology assessment of pre-commercialized lighting measures in the Emerging Technology Program in their 2013-2014 applications.

84. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose a Lighting Innovation subprogram to support advanced lighting technologies aimed at early adopters.

85. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose a Primary Lighting subprogram in the Statewide Lighting Program for the purpose of supporting lighting measures that have reached a greater level of commercialization.

86. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose a Lighting Market Transformation subprogram within the Statewide Lighting Program.

87. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall only propose rebates for general service screw base Light Emitting Diodes products that are consistent with the quality standards developed by the California Energy Commission.

88. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall only propose rebates for Light Emitting Diodes products that have a United States Department of Energy Lighting Facts[®] label.

89. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose upstream rebates for specialty Compact Fluorescent Lamps products, with the exception of dimmable Compact Fluorescent Lamps products, in the new Primary Lighting subprogram.

90. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and

Southern California Gas Company shall propose upstream rebates for dimmable linear fluorescent ballasts in the new Primary Lighting subprogram.

Codes and Standards

91. In the Codes and Standards program implementation plan sections of their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a detailed description for the statewide “Planning and Coordination Subprogram” that implement the “integrated dynamic approach.” The program implementation plan should include an outline of the relevant roles of each of the Codes and Standards sub-programs relative to other IOUs programs and non-IOUs initiatives, as well as program objectives, strategies, expected outcomes, and program budgets.

92. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose expansion of their Codes and Standards programs through coordinated initiatives with the statewide Workforce Education and Training programs. This shall be a non-resource sub-program with the primary objective of providing technical training and certification programs for contractors and technicians, specifically, targeting new and advanced technologies that are candidates for adoption into future Reach Codes, Building Codes and Appliance Standards.

93. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall partner with the California Energy Commission to support their marketing, outreach and education activities to improve compliance with codes and standards.

94. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall examine and propose pilots to test the use of incentives to support critical improvement code compliance consistent with the following threshold criteria:

- Existing (adopted) codes and standards with documented and verified low compliance rates and a minimum two-year gap between the date the standard has been adopted and its effective date;
- Existing (adopted) and/or new Reach Codes; and
- Future codes and standards that have yet to be adopted by the California Energy Commission but have undergone technology assessment through the Emerging Technologies Program, and for which Codes and Standards Enhancement studies have been prepared.

95. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall work with the California Energy Commission and Commission Staff to obtain recommendations on (a) potential local jurisdictions to target for Reach Code adoption, and (b) specific areas of low code compliance based on documented/verified low compliance rates for existing codes, for the purpose of exploring the use of incentives to augment code compliance.

Emerging Technologies Program

96. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall leverage findings from existing research, as well as findings from current evaluation and the Commission Potential and Goals studies, to obtain robust market potential estimates on targeted technologies and systems.

97. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall utilize enhanced market behavioral research to address customer and end-users acceptance and adoption of new technologies, in particular for technologies that are being considered for transfer into the energy efficiency portfolio.

98. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their Emerging Technologies Program implementation plans in their 2013-2014 applications the following:

- b. For each of the three program goals, provide a detailed plan (program activities) on how the six program elements will be utilized to meet the goals (including updates to the quantifiable targets (objectives), timeline, and budgets) while addressing the various market sectors and end-uses;
- c. Provide a planning budget allocation by market sectors and end-use for each program element.
- d. Provide a budget for the following key market sectors: Residential, Commercial, Industrial and Agricultural, and for the following key end-uses: Heating Ventilation and Air Conditioning advanced technologies, Plug-Loads and controls, Lighting, Integrated building design and operation, and Other;
- e. For each program element, provide a planning budget allocation for short-term projects (within the program-cycle) versus long-term projects (projects that will exceed 3 years).
- f. For Technology Assessments, provide a planning budget allocation for assessing new advanced and/or unproven technologies versus emerging and/or under-utilized technologies.

99. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall coordinate with the Codes and Standards program and the California Energy

Commission's Codes and Standards programs to (a) support the advancement of emerging technologies and approaches, including demonstration of technologies, that are candidates for adoption into future codes and standards as well as Reach Codes, and (b) identify critical early planning workforce training needs for advanced technologies.

100. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall establish a "Collaborative" membership category in the Emerging Technologies Coordinating Council.

101. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company may further develop and expand the Technology Resource Incubator Outreach program trial solicitation.

102. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include an Appendix to the Emerging Technologies program implementation plan in their 2013-2014 applications that details clear path of approaches and specific projects activities for transitioning new technologies from major external initiatives into the utility programs.

103. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall revise and update their Emerging Technologies program implementation plan to address the directives included in this Decision, including details on its programmatic initiatives that will accomplish the reductions in plug loads and advancing building integrated design and operation solutions to achieve the Zero Net Energy goals of the Strategic Plan.

104. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall develop Residential and Commercial roadmaps that encompass existing building retrofit and new construction programs for Commission Staff's review by the end of the fourth quarter of 2013, in preparation for their inclusion in their 2015 and later energy efficiency portfolios.

Workforce Education and Training

105. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose continued support of the California Advanced Lighting Controls Training Partnership sector strategy in the 2013-2014 transition period.

106. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall explore partnership opportunities that will result in shared resources and/or co-funding and describe these arrangements in their program implementation plan as it applies to the California Advanced Lighting Controls Training Partnership program.

107. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall submit a plan to test the sector strategy approach for Heating Ventilation and Air Conditioning, beginning with the non-residential sectors.

108. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall

endeavor to have skills standards for Heating, Ventilation and Air Conditioning installations established by the end of 2013.

109. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall develop a Heating Ventilation and Air Conditioning sector strategy pilot in concert with the statewide Heating Ventilation and Air Conditioning Commercial Quality Installation program.

110. In their 2013-2014 applications, the workforce education and training program plans of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall address any and all recommendations made in Workforce, Education and Training Needs Assessment.

111. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include information regarding Heating Ventilation and Air Conditioning quality installation, California Advanced Lighting Controls Training Partnership certified installations, and any other sector strategy-induced skill standards set forth in this decision.

112. In the California Advanced Lighting Controls Training Partnership and Heating Ventilation and Air Conditioning pilot initiatives, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall explore and, if appropriate, propose to pilot mandatory and/or voluntary incentive-based approaches to promoting high-road skill standards in the 2013-2014 program period.

Water-Energy Nexus Programs

113. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include proposals in their 2013-2014 applications to increase targeting of agricultural and industrial customers.

114. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose to continue to offer measures and services to the water sector through their calculated energy efficiency savings programs in the 2013-2014 portfolio, as they currently do.

115. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose 2013-2014 efforts (either through limited, water sector focused pilot programs or through targeted efforts within the existing calculated savings programs) that go to leak-loss detection and remediation, and pressure management services for water entities that are utility customers.

116. Commission Staff shall develop a robust record in the 2013-2014 application proceedings or in another energy efficiency rulemaking to identify potential cost-effective water-energy nexus efficiency programs, including strategies to overcome barriers to adoption and deployment of the identified measures.

Marketing, Education, and Outreach

117. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall file standalone applications, separate from their 2013-2014 energy efficiency

portfolio applications, no later than August 3, 2012 for a statewide marketing, education, and outreach (ME&O) program for 2013-2014 with the following characteristics:

- a. Provides general energy education and demand-side management program information for residential and small commercial customers. General education includes, but is not necessarily limited to, information about the impacts of energy use and energy costs and rates. Demand-side management program information includes, but is not necessarily limited to, demand response, energy efficiency, distributed generation, and low-income programs.
- b. Utilizes the Energy Upgrade California brand name as a larger umbrella platform to encourage demand-side actions.
- c. Describes how any local and program-specific ME&O activities for energy efficiency, demand response, distributed generation, low-income programs, and any other relevant demand-side programs will be coordinated with the statewide program.
- d. Includes a budget for continuing the emergency portion of the Flex Your Power campaign, called Flex Alert, and coordinating it with the overall statewide ME&O campaign under the Energy Upgrade California umbrella.
- e. Utilizes the market and demographic research conducted in support of the Engage 360 campaign to craft an approach to statewide ME&O in 2013-2014 under the Energy Upgrade California umbrella brand.
- f. Continues the current emphasis on prompting residential and small business customers to immediately take action related to their energy use.

118. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company may spend a maximum of \$5 million in 2012 out of the 2010-2012 statewide marketing, education, and outreach energy efficiency budget on Energy Upgrade

California marketing and outreach to transition to a larger umbrella for the statewide campaign in 2013-2014.

119. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall spend a minimum of \$5 million and a maximum of \$10 million in 2012 out of the remaining 2010-2012 statewide marketing, education, and outreach budget on augmenting programmatic activities associated with the Energy Upgrade California programs run by the utilities, the California Energy Commission, and local governments, including associated financing and/or workforce, education, and training programs. These utilities shall developed criteria, in coordination with Staff of this Commission and the California Energy Commission, to offer additional funding to the most successful and/or replicable programs.

120. Unspent 2010-2012 marketing, education, and outreach funds beyond those identified in Ordering Paragraphs 115 and 116 above shall be returned to ratepayers either by reducing energy efficiency balancing accounts or utilizing funds already collected to fund new statewide marketing, education, and outreach activities in 2013-2014.

121. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall consult with Commission Staff, California Energy Commission Staff, the California Center for Sustainable Energy, local governments and third-party Energy Upgrade California program purveyors on:

- a. Budget and criteria for augmenting any programs related to Energy Upgrade California in 2012.
- b. Budget for and design of marketing, education, and outreach activities in 2012 to transition toward a statewide approach for utilizing the Energy Upgrade California brand more broadly for

energy education and demand-side management actions by residential and small commercial customers.

- c. Budget for and design of the Energy Upgrade California web portal.
- d. The content of their statewide marketing, education, and outreach applications due to be filed at the Commission no later than August 3, 2012.

122. For the 2013-2014 statewide marketing, education, and outreach campaign, as well as for transition activities in 2012, Pacific Gas and Electric Company shall serve as the utility coordinator and contractual agent on behalf of itself, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, effective immediately.

123. For the 2013-2014 statewide marketing, education, and outreach campaign, Pacific Gas and Electric Company, on behalf of itself, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, shall contract with the California Center for Sustainable Energy (CCSE) no later than July 1, 2012 to begin activities to allow them to fully implement the program beginning in 2013. A total of at least \$500,000 shall be allocated to CCSE for the remainder of 2012. The budget for 2013-2014 shall be proposed in the utility 2013-2014 applications.

124. For the 2013-2014 statewide marketing, education, and outreach campaign, both Pacific Gas and Electric Company and the California Center for Sustainable Energy shall consult with Commission Staff, California Energy Commission Staff, local governments, and other relevant entities as identified by agency Staff, in the design and oversight of the program and shall establish appropriate stakeholder feedback, coordination, and governance structures based on this consultation.

125. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company and Southern California Gas Company shall serve their 2013-2014 applications for statewide marketing, education, and outreach for demand side resources, including energy efficiency, demand response, distributed generation, and electric energy storage to the relevant service lists, including: Rulemaking (R.) 07-01-041, R.10-05-004, R.10-12-007, R.08-12-009, R.09-11-014, and Application 11-03-001 et al.

126. The January 31, 2012 Assigned Commissioner's Ruling (ACR) on the use of statewide marketing and outreach funds to support the Energy Upgrade California web portal in 2012 is affirmed, with the clarification that San Diego Gas & Electric Company is authorized to utilize the most expeditious contractual path to ensure that the web portal is maintained and upgraded as otherwise required in the January 31, 2012 ACR.

127. The web portal content from Engage 360, including the rebate finder and any other useful content, shall be fully migrated to the Energy Upgrade California web portal, with the Engage 360 web portal decommissioned, by no later than the end of 2013.

128. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall continue their benchmarking activities in 2013-2014.

129. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall revise their existing Integrated Demand Side Management Program Implementation Plans for the 2013-2014 transition portfolio, and shall include a clear plan to obtain input from stakeholders and experts on each of the eight tasks identified in Decision 09-090-47.

130. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their revised Integrated Demand Side Management Program Implementation Plans a detailed accounting of the Integrated Demand Side Management pilot programs and projects.

131. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall work with Commission Staff to ensure that an adequate level of detail is provided in their reports on Integrated Demand Side Management pilot efforts.

132. Commission Staff shall continue to monitor and provide input into the audit tool development processes of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, to ensure that these products are designed in a reasonable manner and timeframe.

133. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include in their revised Integrated Demand Side Management Program Implementation Plan a clear plan to pursue integrated marketing in the 2013–2014 program cycles.

134. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include data collection plans in their revised Integrated Demand Side Management Program Implementation Plan in the 2013–2014 portfolio applications that:

- a. Consider current reporting expectations for each of the Demand Side Management strategies;

- b. Identify the common information that is currently collected for Demand Side Management resources; and
- c. Propose a strategy for reporting integrated Demand Side Management information.

135. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include the demand response, distributed generation, and Advanced Metering Initiative portions of their Integrated Demand Side Management-related costs in the Integrated Demand Side Management budget requests included in their 2013-2014 applications, with justification for why funding should be continued.

136. The 2013-2014 applications of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, including their proposals and funding requests for demand-side resource integration activities, shall be served on parties in the other relevant energy efficiency proceedings.

137. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose to continue to support the Continuous Energy Improvement program in their 2013-2014 portfolios and shall include a Continuous Energy Improvement Program Implementation Plan in their 2013-2014 applications.

138. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include strategies in their 2013-2014 applications to actively engage workforce education and training sector strategy efforts.

139. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall

propose expansion of the Continuous Energy Improvement pilot scope to include mid-sized non-residential customers in the 2013–2014 portfolios in the revised Program Implementation Plans they submit with their 2013–2014 applications.

140. Once early Continuous Energy Improvement evaluation findings become available, Continuous Energy Improvement Program Implementation Plans shall be revised to describe how the program will be modified mid-cycle in consideration of these findings.

141. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall make appropriate adjustments to their participation and incentive calculation rules and update their ex ante value calculations in response to codes and standards changes.

142. Commission Staff shall prepare and release a plan for Database of Energy Efficient Resources (DEER) updates that covers the anticipated mid-cycle codes and standard changes and a subsequent DEER updates to be used for planning portfolios 2015 and beyond

143. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall utilize Database for Energy Efficient Resources (DEER) assumptions, methods, and data in the development of non-DEER values whenever appropriate, and shall follow Commission Staff direction relating to the determination of appropriate application of DEER to non-DEER values.

144. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company, when adding new measures to their portfolios, shall (1) utilize due diligence

when developing the proposed ex ante values such that those new ex ante values represent the expected electricity and natural gas savings, costs, and lifetime of the measure; (2) undertake research, in collaboration with Commission Staff, as required, to establish reasonable expected values; and (3) pilot promising new technologies and utilize the results of research undertaken during the piloting period to improve the ex ante values. Commission Staff shall allow new additions to be utilized in the portfolio prior to all necessary research being completed, when appropriate, by approving interim ex ante values.

145. Commission Staff shall review the processes used to derive ex ante values in other jurisdictions and make recommendations for improvements to the Commission's process for consideration prior to beginning the ex ante update for the post-2014 cycle.

146. The custom ex ante review process adopted in Decision 11-07-030 shall continue in the 2013-2014 transition portfolios.

147. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall ensure that custom measure and project calculation tools or methods are consistent with the adopted Database of Energy Efficient Resources values and assumptions as applicable.

148. Commission Staff shall develop directions for Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company to follow for individual custom projects, which may span the 2010-2012 and 2013-2014 program cycles.

149. Commission Staff shall assign, at its discretion, net-to-gross (net of free ridership) values as part of its ex ante project reviews process.

150. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall make programmatic changes to their custom programs per the recommendations and findings in recent evaluation studies.

151. Commission Staff shall, with input from Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Southern California Gas Company, and other parties, develop recommendations on:

- a. Whether it is appropriate to replace the regulation, code, or standard baseline with a typical installation baseline for use in calculating energy savings;
- b. Under what circumstances and based upon what kind of evidence such a change could be made;
- c. If the change to a typical installation baseline is made, how the baseline parameters should be established for use in setting ex ante values; and
- d. Assuming the above change, what are the time and budget implications for both Commission Staff and utilities for both ex ante and ex post savings development.

152. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify and recommend ways to aid or support code enforcement activities through their energy efficiency program activities.

153. Commission Staff shall work with the parties to develop proposals for “rolling portfolio cycles” and/or “evergreen programs” for possible implementation in the post-2014 period.

Evaluation

154. Commission Staff, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall continue collaborative efforts to gather input and share information on evaluation findings.

155. Information from the evaluation activities shall be made available to Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, Southern California Gas Company, and interested stakeholders as it becomes available.

156. Information emerging from the evaluations shall be used to refine and improve programs on an on-going basis, and/or shall be available to assist in portfolio design decisions and revising frozen ex ante savings parameters for the next program cycle.

157. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose funding for evaluation activities at four percent of the total proposed portfolio budget.

158. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall propose that the distribution of the Evaluation budget between them and Commission Staff shall remain at 27.5% and 72.5%, respectively.

159. Commission Staff shall recommend adoption of Market Transformation Indicators for the balance of the 2010 portfolio and for the 2013-2014 portfolio.

160. Commission Staff shall establish an evaluation Project Coordination Group whose primary function will be to review, deliberate, and provide

feedback on proposals of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company for changing the Market Transformation Indicators to be adopted in an upcoming Ruling.

Next Steps

161. If mid-cycle changes to Market Transformation Indicators are deemed necessary, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall submit Tier 1 Advice Letters articulating the changes.

162. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall identify in their 2013-2014 applications, proposals for programs or initiatives that have been designed to accomplish “market transformation.”

163. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include a line item in their proposed budgets for meeting the requirements for compliance with standardized tracking data submittals in a manner consistent with guidance provided by Commission Staff.

164. The 2013-2014 applications and supporting documentation of Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall follow a common format.

165. To support the summary budget and cost-effectiveness tables required herein, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall

make a detailed cost-effectiveness showing that provides information on the energy savings assumptions and costs that were used to derive the values in the summary tables.

166. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall supply supporting documentation on the assumptions used to develop the contents of their cost-effectiveness calculator submission to facilitate review by Commission Staff and parties.

167. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall include proposals in their 2013-2014 applications to potentially utilize Programs Advisory Groups as a consultative resource for mid-cycle program changes or additions for post-2014 portfolio planning.

168. The Executive Director shall cause this decision to be served on the service lists of: Rulemaking (R.) 07-01-041, R.10-12-007, R.10-05-004, R.08-12-009, and Application 11-03-001 et al.

169. The motions for party status of the California Building Performance Contractors Association, NRG Answers, Switch Lighting Company, and Simple Energy, Inc. are granted.

170. All other motions outstanding in this proceeding as of the date of this decision and not specifically mentioned in this decision are denied.

171. In their 2013-2014 applications, Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company may each file, in addition to a portfolio of energy efficiency programs that is compliant with all of the foregoing ordering paragraphs, one additional alternative energy efficiency program portfolio

proposal. Should a utility elect this option, it shall consult with the other utilities to develop a consistent approach across all utilities, to the extent feasible, to the definition of a second scenario. Each utility's application shall include (a) a full cost-effectiveness analysis of the second scenario portfolio, (b) a detailed explanation of the extent to which the additional portfolio does or does not comply with any of the foregoing ordering paragraphs, (c) an itemized summary of the differences between the two portfolios, and (d) a detailed discussion of the rationale for each area in which the two portfolios differ.

This order is effective today.

Dated _____, 2012, at San Francisco, California.