



May 6, 2024

**Advice 4907-G/7258-E**

(Pacific Gas and Electric Company ID U 39 M)

**Advice Letter 4441-E/3302-G**

(San Diego Gas & Electric Company ID U 902 M)

**Advice Letter 5294-E**

(Southern California Edison Company ID U 338 E)

**Advice Letter 6308-G**

(Southern California Gas Company ID U 904 G)

Public Utilities Commission of the State of California

**Subject: Joint Utility Portfolio Administrator Compliance Filing Pursuant to D. 19-08-006 for Co-Benefits and Economic Development Benefits pertaining to Local Government Partnership Contracts**

Pursuant to the California Public Utilities Commission (“Commission” or “CPUC”) Decision (D.) 19-08-006, Pacific Gas and Electric Company (PG&E) hereby submits this advice letter on behalf of the Investor Owned Utilities (IOUs) Portfolio Administrators (PAs)<sup>1</sup> for Energy Efficiency related contracts with local governments, as it relates to measurement of co-benefits and economic development benefits.

**Purpose**

Ordering Paragraph (OP) 3, of D. 19-08-006 (“Decision”), required the IOU PAs to update modifiable terms in Local Government Partnership (LGP) contracts to reflect co-benefits and local economic development benefits (collectively “Benefits”).<sup>2</sup> Additionally, OP 4<sup>3</sup> of

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<sup>1</sup> Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric (SDG&E), and Southern California Gas Company (SoCalGas).

<sup>2</sup> OP 3: “Within 30 days of the publication date of the final results of the Opinion Dynamics-led evaluation, Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and Southern California Gas Company shall jointly submit a joint Tier 2 advice letter to update the modifiable terms in Attachment B of this decision to include a standardized methodology for measuring co-benefits and economic development benefits applicable to local government partnerships.”

<sup>3</sup> OP 4: “Any contracts signed after Energy Division staff’s approval of the joint advice letter required by Ordering Paragraph 3 must conform the co-benefits and economic development benefits term to the standard methodology included in the joint advice letter.”

the Decision specified that any contracts signed after the approval of this Advice Filing (AL) must incorporate these Benefits. On April 4, 2024, the *final* Opinion Dynamics (OD) evaluation (i.e., memo) was issued,<sup>4</sup> resulting in the triggering of OP 3. As such, the IOU PAs collectively file this AL within 30 days, pursuant to the CPUC's Decision.

## **Background**

In 2018, the CPUC directed the IOUs to quantify Benefits of LGPs in hard-to-reach and disadvantaged communities.<sup>5</sup> In response to this directive, PG&E commissioned a report on behalf of all IOUs to identify Benefits that result from LGP program activities that focus on hard-to-reach (HTR) communities and disadvantaged communities (DACs), and evaluate how these Benefits could be measured in the future.<sup>6</sup> In 2019, the CPUC found that the market study did not fully satisfy the requirement to quantify Benefits, and that further process was required.<sup>7</sup> The Commission specified that the OD-led evaluation of LGP non-resource activities would develop a methodology for measuring the extent to which LGPs generate Benefits.<sup>8</sup> Subsequently, OD issued evaluation reports in 2021<sup>9</sup> and 2022,<sup>10</sup> but these reports did not provide a methodology for measuring Benefits of

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<sup>4</sup> Energy Division email dated April 4, 2024 contains a link to the "final" memo, which includes the original July 3, 2023 Opinion Dynamics memo and an attachment containing Energy Division's categorical responses to the joint IOU PA comments submitted on March 5, 2024.

Link: [Report \(energydataweb.com\)](https://energydataweb.com)

<sup>5</sup> D.18-05-041, OP 30, at 188.

<sup>6</sup> Report titled "Local Government Partnership Quantification of Co-Benefits and Local Economic Benefits in Hard-to-Reach and Disadvantaged Communities," prepared by Evergreen Economics. Link: [Evergreen Economics \(May 2021\)](#)

<sup>7</sup> D. 19-08-006 at pp 14-15: "We agree that the LGP standard contract should be available as soon as possible. Incorporation of co-benefits and economic development benefits into the LGP standard contract will require a further process beyond completion of PG&E's market study. Specifically, Energy Division Staff may use the current Opinion Dynamics-led evaluation of LGP non-resource activities that will develop a methodology for measuring the extent to which LGPs generate co-benefits and economic development benefits that are identified in the market study, contingent upon the timing of the final delivery date and the results of the PG&E market study. This evaluation will include a public comment process and is expected to be completed by late September 2021.

<sup>8</sup> *Id.*

<sup>9</sup> Assessment of Regional Energy Networks – CPUC Contract Group B: Deliverable 22B Year 2 Study, dated September 20, 2021. Link: [Report Template-CPUC-v2019 \(calmac.org\)](https://calmac.org)

<sup>10</sup> California Public Utilities Commission Energy Efficiency Program Oversight and Evaluation of the Group B Sectors – Work Plan for Deliverable 22, Year 4 Assessment of Regional Energy Networks and Local Government Partnerships, October 14, 2022. Link: [Group B D22 RENs and LGPs Year 4 Workplan 2022-10-17.docx \(live.com\)](#). Task 7 of this report (p. 6) indicates that "Deliverable: D.19-08-006 Ordering Paragraph 3 Compliance Memo. The memo will be provided as an interim deliverable to the overall Year 4 Deliverable 22 REN research and will also be attached as an Appendix to the draft and final reports." The expected timing of the Task 7 memo was shown as March 23, 2023, according to Table 2 on p. 7 of this report. However, based on a review of the webpage repository for California Energy Efficiency Energy Contracts, the last document posted was the October 2022 report.

LGPs and therefore were not deemed by the IOUs or Energy Division (ED) staff to satisfy the triggering event under D.19-08-006 OP3.<sup>11</sup>

ED staff re-engaged with the IOU PAs in the latter half of 2023 to check on compliance with OP 3 from the Decision. Initially, the Advice Letter filing was flagged at a meeting between PG&E and ED staff in early October 2023. Subsequently, ED staff issued a November 17, 2023 data request on all IOU PAs further inquiring about this matter. Ultimately, on February 20, 2024, ED staff emailed the IOU PAs with a link to an OD *draft* memo from July 2023,<sup>12</sup> which addressed compliance with OP 3 of D.19-08-006. By way of email, ED staff also requested comments on the draft memo by March 5, 2024, which the IOU PAs jointly submitted.<sup>13</sup> Subsequently, a final OD evaluation was issued on April 4, 2024,<sup>14</sup> triggering OP 3 and requiring the IOU PAs to submit a joint Tier 2 advice letter to update the modifiable contract terms to include a standardized methodology for measuring Benefits applicable to LGPs.

## **Discussion**

The IOU PAs understand that OP 3 and OP 4 are limited to *direct* contracting (i.e. core) between IOU PAs and local governments, thereby excluding Third-Party (3P) contracts with local governments.<sup>15</sup> Importantly, the Energy Efficiency contracting landscape with local governments has changed significantly since D.19-08-006, as the IOU PAs have moved to leveraging 3P programs to engage with local governments to deliver energy efficiency programs.<sup>16</sup> The IOU PAs no longer have core LGP programs as they did in 2019. Because LGP contracting is limited to 3P programs, the IOU PAs are not proposing

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<sup>11</sup> Energy Division staff email response dated September 7, 2022 to all the IOU PAs.

<sup>12</sup> Opinion Dynamics Memo dated July 3, 2023.

Link: [Compliance Memo for D.19-08-006 OP 3 and 4 2024.02.02.docx \(live.com\)](#)

<sup>13</sup> Joint IOU comments dated March 5, 2024.

Link: [CPUC Energy Evaluation Public Comment \(energydataweb.com\)](#)

<sup>14</sup> Energy Division email dated April 4, 2024 contains a link to the “final” memo, which includes the original July 3, 2023 Opinion Dynamics memo and an attachment containing Energy Division’s categorical responses to the joint IOU PA comments submitted on March 5, 2024.

Link: [Report \(energydataweb.com\)](#)

<sup>15</sup> The exclusion of third-party contracts is based on the requirement in D.16-08-019 to outsource a portion of the EE portfolio to third parties. As such, the OD Memo (*Ibid* 4) in the “Conclusions and Recommendations” section on p. 7 where it states that “...SDG&E staff interviewed for this memo indicated that contracts issued to commercial firms are not subject to the terms of the standard local government contract discussed in D.19-08-006. Under this interpretation, OP 3 and OP 4 do not apply to this program. As such, implementing local government programs through third party commercial contracts limits the usefulness of a standard local government program contract to accomplish regulatory goals, such as measuring co-benefits and economic benefits, as discussed in D.19-08-006.”

<sup>16</sup> D.18-01-004 updated the outsourcing requirement established in D.16-08-019 to 60% outsourcing of third-party contracts by 2022.

any explicit metrics for tracking Benefits<sup>17</sup> of these programs. However, should any IOU PA contemplate a core contract with an LGP program in the future, then that individual IOU PA would be responsible for advancing specific metrics for measuring the applicable Benefits in the *final* OD memo or any superseding Benefits that may arise in the future that may warrant tracking.<sup>18</sup>

### **Protests**

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than May 27, 2024, which is 21<sup>19</sup> days after the date of this submittal. Protests must be submitted to:

CPUC Energy Division  
ED Tariff Unit  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

The protest shall also be electronically sent to the utilities via E-mail at the addresses shown below on the same date it is electronically delivered to the Commission:

**PG&E:**  
Sidney Bob Dietz II  
Director, Regulatory Relations  
c/o Megan Lawson  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**SDG&E:**  
Greg Anderson  
Regulatory Tariff Manager  
E-mail: [GAnderson@sdge.com](mailto:GAnderson@sdge.com)  
[SDGETariffs@sdge.com](mailto:SDGETariffs@sdge.com)

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<sup>17</sup> Page 5 of the OD Memo identified seven benefits for tracking. These benefits include: education, staff support/job creation, leveraging relationships, customized/tailored messaging, bundling/combining energy efficiency resources with other options/offers, providing source of trusted information and proof of concept for broader industry.

<sup>18</sup> D.23-06-055 initiated a number of activities associated with assessing metrics and indicators across segments, which may influence future Benefit measurements associated with contracts in general. Specifically, OP 11 (metrics, indicators and baselines), OP 17 (non-energy benefits), OP 25 (Awareness, Knowledge, Attitude, Behavior {AKAB}) and goals for the market support and equity segment indicators along with baselines.

<sup>19</sup> Pursuant to Rule 1.5 of General Order 96-B, PG&E requests to extend the protest period by one additional day because twenty days following submission of this advice letter is Sunday, May 26, 2024.

**SCE:**

Connor Flanigan  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

and

Adam Smith  
Director, Regulatory Relations  
Southern California Edison Company  
c/o Karyn Gansecki  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

**SoCalGas:**

Attn: Gary Lenart  
Regulatory Tariff Manager  
E-mail: [GLenart@socalgas.com](mailto:GLenart@socalgas.com)  
E-mail: [Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

**Effective Date**

Pursuant to General Order (GO) 96-B, Rule 5.2, and OP 3 of D.19-08-006, this advice letter is submitted with a Tier 2 designation. PG&E requests that this Tier 2 advice submittal become effective on regular notice, June 5, 2024, which is 30 calendar days after the date of submittal.

**Notice**

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically to parties shown on the attached list and the parties on the service list for R.13-11-005 and A.22-02-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address [PGETariffs@pge.com](mailto:PGETariffs@pge.com). For changes to any other service list, please contact the Commission's Process Office at (415) 703-2021 or at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov). Send all electronic approvals to [PGETariffs@pge.com](mailto:PGETariffs@pge.com). Advice letter submittals can also be accessed electronically at: <http://www.pge.com/tariffs/>.

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    /S/  
Sidney Bob Dietz II  
Director, Regulatory Relations  
CPUC Communications

cc: Service List R.13-11-005 and A.22-02-005



# ADVICE LETTER SUMMARY

## ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Pacific Gas and Electric Company (U 39 M)

Utility type:

- ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Stuart Rubio

Phone #: 279-789-6210

E-mail: PGETariffs@pge.com

E-mail Disposition Notice to: stuart.rubio@pge.com

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas      WATER = Water  
 PLC = Pipeline      HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #: 4907-G/7258-E et al.

Tier Designation: 2

Subject of AL: Joint Utility Portfolio Administrator Compliance Filing Pursuant to D. 19-08-006 for Co-Benefits and Economic Development Benefits pertaining to Local Government Partnership Contracts

Keywords (choose from CPUC listing): Compliance

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.19-08-006

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required?  Yes  No

Requested effective date: 6/5/24

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>: N/A

Pending advice letters that revise the same tariff sheets: N/A

<sup>1</sup>Discuss in AL if more space is needed.

**Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:**

California Public Utilities Commission  
Energy Division Tariff Unit Email:  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Contact Name: Sidnev Bob Dietz II. c/o Megan Lawson  
Title: Director, Regulatory Relations  
Utility/Entity Name: Pacific Gas and Electric Company  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email: PGETariffs@pge.com

Contact Name:  
Title:  
Utility/Entity Name:  
  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

CPUC  
Energy Division Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Clear Form



**PG&E Gas and Electric  
Advice Submittal List  
General Order 96-B, Section IV**

AT&T	East Bay Community Energy	Pacific Gas and Electric Company
Albion Power Company	Ellison Schneider & Harris LLP	Peninsula Clean Energy
Alta Power Group, LLC	Electrical Power Systems, Inc. Fresno	Pioneer Community Energy
Anderson & Poole	Engineers and Scientists of California	Public Advocates Office
Atlas ReFuel BART		Redwood Coast Energy Authority
	GenOn Energy, Inc.	Regulatory & Cogeneration Service, Inc.
BART	Green Power Institute	Resource Innovations
Buchalter		
Barkovich & Yap, Inc.	Hanna & Morton LLP	SCD Energy Solutions
Braun Blaising Smith Wynne, P.C.		San Diego Gas & Electric Company
	ICF consulting	SPURR
California Community Choice Association	iCommLaw	San Francisco Water Power and Sewer
California Cotton Ginners & Growers Association	International Power Technology	Sempra Utilities
California Energy Commission		
California Hub for Energy Efficiency	Intertie	Sierra Telephone Company, Inc.
California Alternative Energy and Advanced Transportation Financing Authority	Intestate Gas Services, Inc.	Southern California Edison Company
California Public Utilities Commission		Southern California Gas Company
Calpine	Kelly Group	
Cameron-Daniel, P.C.	Ken Bohn Consulting	Spark Energy
Casner, Steve	Keyes & Fox LLP	Sun Light & Power
Center for Biological Diversity		Sunshine Design
Chevron Pipeline and Power	Leviton Manufacturing Co., Inc.	Stoel Rives LLP
City of Palo Alto	Los Angeles County Integrated	
City of San Jose		Tecogen, Inc.
Clean Power Research	Waste Management Task Force	TerraVerde Renewable Partners
Coast Economic Consulting		Tiger Natural Gas, Inc.
Commercial Energy	MRW & Associates	TransCanada
Crossborder Energy	Manatt Phelps Phillips	
Crown Road Energy, LLC	Marin Energy Authority	Utility Cost Management
Communities Association (WMA)	McClintock IP	Utility Power Solutions
	McKenzie & Associates	
Davis Wright Tremaine LLP	Modesto Irrigation District	Water and Energy Consulting
		Wellhead Electric Company
Day Carter Murphy	NOSSAMAN LLP	Western Manufactured Housing
Dept of General Services	NRG Solar	Communities Association (WMA)
Douglass & Liddell		
Downey Brand LLP	OnGrid Solar	Yep Energy
Dish Wireless L.L.C.		