



# ADVICE LETTER SUMMARY



## ENERGY UTILITY

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

Company name/CPUC Utility No.: 941

Utility type:

ELC       GAS       WATER  
 PLC       HEAT

Contact Person: Jennifer Berg  
Phone #: (415) 820-7947  
E-mail: jberg@bavareametro.gov  
E-mail Disposition Notice to: jberg@bavareametro.gov

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

January 31, 2020

Advice Letter (AL) #: 13-E

Tier Designation: 1

Subject of AL: The Association of Bay Area Governments, on behalf of the San Francisco Bay Area Regional Energy Network, Energy Efficiency Annual Budget Advice Letter Compliance Filing for Program Year 2020

Keywords (choose from CPUC listing):

AL Type:  Monthly  Quarterly  Annual  One-Time  Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #: D.15-10-028; D.18-05-041

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: Supplements AL 12-E

Summarize differences between the AL and the prior withdrawn or rejected AL: N/A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: 3/2/20

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:

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

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

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102  
Email: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Name: Jennifer Berg  
Title: Assistant Director - Energy Programs Manager  
Utility Name:  
Address: 375 Beale Street, 7th Floor  
City: San Francisco State: California  
Telephone (xxx) xxx-xxxx: (415) 820-7947  
Facsimile (xxx) xxx-xxxx:  
Email: [jberg@bayareametro.gov](mailto:jberg@bayareametro.gov)

Name:  
Title:  
Utility Name:  
Address:  
City: State: California  
Telephone (xxx) xxx-xxxx:  
Facsimile (xxx) xxx-xxxx:  
Email:

## ENERGY Advice Letter Keywords

Affiliate	Direct Access	Preliminary Statement
Agreements	Disconnect Service	Procurement
Agriculture	ECAC / Energy Cost Adjustment	Qualifying Facility
Avoided Cost	EOR / Enhanced Oil Recovery	Rebates
Balancing Account	Energy Charge	Refunds
Baseline	Energy Efficiency	Reliability
Bilingual	Establish Service	Re-MAT/Bio-MAT
Billings	Expand Service Area	Revenue Allocation
Bioenergy	Forms	Rule 21
Brokerage Fees	Franchise Fee / User Tax	Rules
CARE	G.O. 131-D	Section 851
CPUC Reimbursement Fee	GRC / General Rate Case	Self Generation
Capacity	Hazardous Waste	Service Area Map
Cogeneration	Increase Rates	Service Outage
Compliance	Interruptible Service	Solar
Conditions of Service	Interutility Transportation	Standby Service
Connection	LIEE / Low-Income Energy Efficiency	Storage
Conservation	LIRA / Low-Income Ratepayer Assistance	Street Lights
Consolidate Tariffs	Late Payment Charge	Surcharges
Contracts	Line Extensions	Tariffs
Core	Memorandum Account	Taxes
Credit	Metered Energy Efficiency	Text Changes
Curtable Service	Metering	Transformer
Customer Charge	Mobile Home Parks	Transition Cost
Customer Owned Generation	Name Change	Transmission Lines
Decrease Rates	Non-Core	Transportation Electrification
Demand Charge	Non-firm Service Contracts	Transportation Rates
Demand Side Fund	Nuclear	Undergrounding
Demand Side Management	Oil Pipelines	Voltage Discount
Demand Side Response	PBR / Performance Based Ratemaking	Wind Power
Deposits	Portfolio	Withdrawal of Service
Depreciation	Power Lines	



January 31, 2019

CPUC, Energy Division  
505 Van Ness Avenue  
San Francisco, CA 94102  
Attn: Tariff Files, Room 4005

Re: The Association of Bay Area Governments, on behalf of the San Francisco Bay Area Regional Energy Network, Energy Efficiency Annual Budget Advice Letter Compliance Filing for Program Year 2020

On September 3, 2019, the Association of Bay Area Governments (ABAG), on behalf of the San Francisco Bay Area Regional Energy Network (BayREN), timely filed the BayREN 2020 Annual Energy Efficiency Program and Portfolio Budget Request (Advice Letter 12-E). Thereafter on September 23, 2019, The Public Advocates Office (Cal Advocates) filed a Protest to all Program Administrators' Annual Budget Requests. BayREN responded to Cal Advocates' Protest. On December 19, 2019 BayREN's Advice Letter was conditionally approved. As directed by the Energy Division, BayREN submits herein this compliance filing (Advice Letter 13-E) to address Cal Advocates' argument in the Protest that BayREN offers rebates in excess of measure costs, which is prohibited by CPUC policy.<sup>1</sup> Specifically, Cal Advocates "highlights five measures in BayREN's Single Family program and argues that BayREN's Single Family residential program forecast is flawed because it relies on five rebates that exceed BayREN's forecast of the measure costs."<sup>2</sup>

BayREN has never purposefully paid a participant an incentive that was greater than the measure cost(s). However, according to Commission guidance, some measures (i.e. Early Retirement (ER) measures (now Accelerated Replacement (AR)) use the Gross Measure Cost for the MeasCost1stBaseline, while other measures (i.e. Normal Replacement (NR) and Add-On Equipment (AOE)) use the Incremental Measure Cost. The Incremental Measure Cost does not include the time and material cost for installation, and as a result does not reflect the true cost of the measure to the customer. This results in certain forecasted claims where the incremental measure cost appears lower than the incentive amount, but in fact is not.

BayREN will address the issue raised by Cal Advocates by ensuring:

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<sup>1</sup> *The Public Advocates Office Protest of Energy Efficiency Annual Budget Advice Letters for Program Year 2020* (September 23, 2019) (herein "the Protest"), at page 45.

<sup>2</sup> *Disposition Letter Approving San Francisco Bay Area Regional Energy Network's (BayREN) Annual Budget Advice letter (ABAL) 12-E*, at page 5; citing the Protest at page 46.

1. All claims submitted for program year (PY) 2020 that had a measure cost which is less than the incentive amount forecasted will be updated with actual market rate measure costs provided by the installing contractor which includes the time and material costs that are charged to the customer. Hence, no claim will have a reported incentive greater than the reported measure cost.
2. All submitted applications for eligible measures will include (in addition to a copy of the customer invoice) the Measure Cost to Customer (itemized cost of measure for equipment and installation). This is intended to streamline reporting of actual market measure costs as compared to incremental measure costs and allow BayREN to update claims where the incremental measure cost is reported as less than the incentive amount.

For future Implementation Plans (IP) and Annual Budget Advice Letters (ABAL), BayREN will estimate the market rate measures costs based on the prior year's data and ensure the forecasted measure costs are equal to or greater than the forecasted incentives.

Respectfully submitted,



Jennifer K. Berg  
Association of Bay Area Governments  
375 Beale Street, 7<sup>th</sup> Floor  
San Francisco, CA 94105  
Phone: 415-820-7947  
E-mail: [jberg@bayareametro.gov](mailto:jberg@bayareametro.gov)

Cc: Alison LaBonte, Energy Division  
Peter Franzese, Energy Division  
Nils Strindberg, Energy Division  
Service List R.13-11-005