

December 1, 2016

CA Public Utilities Commission
Energy Division
Attention: Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, CA 94102-3298



Advice Letter 21-E

Re: Identification of Unspent Funds from Marin Clean Energy’s 2016 Energy Efficiency Programs Available for the 2017 Program Budget

Pursuant to Decision (“D.”) 14-10-046, *Decision Establishing Energy Efficiency Savings Goals and Approving 2015 Energy Efficiency Programs and Budgets (Concludes Phase I of R.13-11-005)*, Marin Clean Energy (“MCE”) submits Advice Letter (“AL”) 21-E to identify unspent energy efficiency (“EE”) funds for MCE’s 2017 EE programs.¹

Effective Date: December 31, 2016

Tier Designation: This advice filing has a Tier 2 designation pursuant to Ordering Paragraph (“OP”) 25 of D.14-10-046, which requires MCE “to file a Tier 2 Advice Letter on December 1, 2014 . . . and on December 1 of each successive year until 2024, identifying carry-forward amounts for the next year.”²

Purpose

This compliance filing provides the unspent funds amount required by OP 25 of D.14-10-046. In addition to identifying unspent funds from the 2016 year, this AL provides a true-up of accounting in the 2015 unspent funds AL (MCE AL 11-E.) The true-up of MCE’s 2015 unspent fund: (1) excludes unspent gas funds; and (2) accounts for actual spending, as opposed to projected, through the end of 2015. MCE also presents the quarterly electric funds transfers from Pacific Gas and Electric Company (“PG&E”) to MCE for the 2017 budget based on offsets calculated using the identified unspent funds.

Background

a. MCE ALs Pending Approval

As of this AL filing, MCE has several ALs pending disposition before Commission staff.³

¹ D.14-10-046, OP 25 at 168.

² D.14-10-046, OP 25 at 168.

³ AL 17-E (filed August 18, 2016); AL 18-E (filed September 15, 2016); AL 19-E (filed October 24, 2016); and AL 20-E (filed November 18, 2016.)

For the sake of simplicity, this filing presumes approval of these ALs. This AL can be updated with supplemental materials if directed by Commission staff or if any of these pending dispositions impact the figures included in this AL.

b. Basis for Unspent Funds Available for Carryover

The funding for EE programs is provided by ratepayers, collected by the Investor Owned Utilities (“IOUs”) on authority of the Commission, and subsequently distributed by the IOUs. In MCE’s case, PG&E distributes the Commission-approved budget directly to MCE.

Pursuant to D.14-10-046, MCE is required to file an annual Tier 2 AL on December 1 that identifies unspent funds that can be carried over into the next program year to reduce the amount of electrical funds PG&E needs to transfer to MCE.⁴

In D.14-10-046, the Commission extended the 2013-2014 annual EE program budgets through 2025.⁵ The Commission directed PG&E to transfer EE budgets annually to MCE, less any amount MCE identifies as unspent.⁶ Table 1 provides a breakdown of the total 2017 budget by electricity and gas funds including programmatic activities and Evaluation, Measurement, and Verification (“EM&V”) activities.

Table 1: 2017 Budget by Electricity and Gas Funds, Including EM&V Funds

	Electricity Funds	Natural Gas Funds	Totals
Authorized 2017 Program Funds ⁷	\$1,301,647	\$284,700	\$1,586,347
Authorized EM&V Funding ⁸	\$87,309	\$9,034	\$96,342
Budget for 2017	\$1,388,956	\$293,734	\$1,682,689

MCE receives electricity funds and gas funds through separate processes.⁹ MCE receives electric EE funds from PG&E on a prospective, quarterly basis.¹⁰ In contrast to the electric funds, MCE invoices PG&E for gas funds on a retrospective, monthly basis.¹¹ Although MCE’s approved

⁴ D.14-10-046, OP 25 at 168.

⁵ D.14-10-046, OP 21 at 167.

⁶ D.14-10-046 at 125; OP 24, 25, 26 at 167-68.

⁷ This approved annual budget includes \$1,301,647 in electricity funds and \$284,700 in natural gas funds. D.16-05-004, OP 2 at 13.

⁸ MCE’s Annual Budget AL (AL 18-E) requests the authorized EM&V budget be transferred to MCE, which increases the total 2017 budget by \$96,342. MCE will allocate the EM&V funding between electric and gas based on the same proportions as in MCE’s underlying annual budgets.

⁹ See D.14-10-046 at 119-20; OP 24, 26 at 167-68.

¹⁰ D.14-10-046, OP 24 at 167-68.

¹¹ D.14-10-046 at 119; OP 26 at 168. In D.14-10-046, the Commission directed PG&E to contract with MCE for the provision of gas funding for MCE’s EE gas savings. The monthly

annual budget includes both gas and electric funds, MCE does not receive gas funds for which it does not invoice. Therefore under the current rules, unspent (i.e. non-invoiced) gas funds should not be included as “unspent” in MCE’s annual unspent funds ALs.

True-up of 2015 Unspent Funds

In December 2015, pursuant to D.14-10-046, MCE filed the 2015 Unspent Funds AL and a supplement, AL 11-E and AL 11-E-A. MCE erroneously included non-invoiced gas funds in its 2015 unspent funds amount. As a result, MCE overstated the unspent funds available for carryover into 2016. Table 1 provides a true-up of MCE’s 2015 unspent funds calculation to exclude 2015 non-invoiced gas funds.

Table 2 also provides a true-up of the 2015 unspent funds calculation to reflect MCE’s actual spending through the end of 2015. The Commission has recognized that because of the December 1 filing requirement, MCE would have to base the unspent funds on a projection of spending for the year.¹² The Commission suggested MCE “use its best estimates for the months for which it does not yet have actual spending data.”¹³ ALs 11-E and 11-E-A projected spending through the end of 2015. As such, MCE provides a true-up of the 2015 unspent funds to reflect actual spending through the end of 2015.

Table 2, below, illustrates the true-up of unspent funds from 2015 which factors in the: (1) non-invoiced gas funds; and 2) actual spending through the end of 2015.

Table 2: True-up of 2015 Unspent Funds Available for Carryover

2015 Unspent Gas Funds	True-up Based on Actual Spend through the End of 2015	Total 2015 Unspent Funds Adjustments
(\$40,037)	\$117,049	\$77,012

The true-up of unspent funds from 2015 results in \$77,012 in unspent funds from 2015 available to offset the 2017 budget transfers from PG&E to MCE.

Identification of 2016 Unspent Funds Available for Carryover to 2017

The total unspent EE funds from 2016 available for MCE’s 2017 EE program is \$80,726 as provided in Table 3 below.

Since this filing is made before the end of 2016, it includes a projection of 2016 program expenditures. As Table 2 illustrates, the true-up 2015 spending and correction for non-invoiced gas funds results in \$77,012 in additional unspent funds from 2015. Table 3 provides the total

invoicing arrangement is embodied in the gas funding contract entered into pursuant to that decision.

¹² D.14-10-046 at 126.

¹³ D.14-10-046 at 126.

unspent funds from 2015 and 2016 available for carryover to offset the 2017 budget transfers from PG&E. Table 4 below provides the quarterly electric payments PG&E will transfer to MCE for the 2017 budget, which is reduced by the carryover amount from Table 3.

Table 3: Identified Unspent EE Funds Available for Carryover to 2017

2015 Unspent Funds Adjustments	2016 Unspent Electric Funds	2016 Unspent Gas Funds	Unspent Funds Available for Carryover
\$77,012	\$3,714	N/A ¹⁴	\$80,726

Table 4: Electricity Funds Payment Schedule

2017 Electric Budget	Unspent Funds Available for Carryover	2017 Electric Budget Less Carryover	2017 Quarterly Electric Payments
\$1,388,956	(\$80,726)	\$1,308,230	\$327,057.42

MCE will continue to invoice PG&E on a retrospective, monthly basis for any gas expenditures incurred in 2017.

Conclusion

MCE identifies a total of \$80,726 in unspent funds available to offset the 2017 budget transfers from PG&E. MCE also provides the quarterly electric payments for 2017 in the amount of \$327,057.42 based on the unspent funds.

Notice

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

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

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

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

¹⁴ As stated above, the total unspent EE funds available for carryover excludes unspent gas funds.

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

MCE is serving copies of this advice filing to the relevant parties shown on the R.13-11-005 service list. For changes to this service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Correspondence

For questions, please contact Michael Callahan at (415) 464-6045 or by electronic mail at mcallahan@mceCleanEnergy.org.

/s/ Michael Callahan
Michael Callahan
Regulatory Counsel
Marin Clean Energy

cc: Service List R.13-11-005

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY ENERGY UTILITY

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

Company name/CPUC Utility No. Marin Clean Energy

Utility type:

ELC GAS

PLC HEAT WATER

Contact Person for questions and approval letters: Michael Callahan

Phone #: (415) 464-6045

E-mail: mcallahan@mcecleanenergy.org

EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: MCE 21-E

Subject of AL: Identification of Unspent Funds from Marin Clean Energy's 2016 Energy Efficiency Programs Available for the 2017 Program Budget

Tier Designation: 1 2 3

Keywords (choose from CPUC listing): Compliance

AL filing type: Monthly Quarterly Annual One-Time Other _____

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: D.14-10-046

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL _____

Summarize differences between the AL and the prior withdrawn or rejected AL¹: _____

Resolution Required? Yes No

Requested effective date: December 31, 2016

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 proposed¹:

Pending advice letters that revise the same tariff sheets: none

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.

San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Utility Info (including e-mail)

Marin Clean Energy

Michael Callahan, Regulatory Counsel

1125 Tamalpais Ave. San Rafael, CA 94901

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¹ Discuss in AL if more space is needed.