



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

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Application of the California Energy Commission
for Approval of Electric Program Investment
Charge Proposed 2012 through 2014 Triennial
Investment Plan.

And Related Matters.

Application 12-11-001
(Filed November 1, 2012)

Application 12-11-002
Application 12-11-003
Application 12-11-004

**2012 ELECTRIC PROGRAM INVESTMENT CHARGE ANNUAL REPORT OF THE
CALIFORNIA ENERGY COMMISSION**

CALIFORNIA ENERGY COMMISSION

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Dated: February 28, 2013

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I. INTRODUCTION

The California Energy Commission (CEC/Energy Commission) respectfully submits the 2012 Electric Program Investment Charge Annual Report (Annual Report). This annual report is submitted pursuant to the May 24, 2012, *Phase 2 Decision Establishing Purposes and Governance for Electric Program Investment Charge and Establishing Funding Collections for 2013-2020*, which states "The administrators of the Electric Program Investment Charge (EPIC) (the California Energy Commission, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Edison Company) shall file annual reports annually on February 28, 2013 through February 28, 2020 with the Director of the [California Public Utilities] Commission's Energy Division. Annual reports shall be served on all parties in the most recent EPIC proceeding, all parties to the most recent general rate case of each electricity utility named above, and each successful and unsuccessful applicant for an EPIC funding award during the previous calendar year."¹

¹ CPUC Decision 12-05-037 in Rulemaking 11-10-003, Ordering Paragraph 16.

II. BACKGROUND

The Electric Program Investment Charge (EPIC) will provide public interest investments in clean energy technologies and approaches for the benefit of electricity ratepayers of California's three largest electric investor-owned utilities (IOUs): Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE).

The California Public Utilities Commission (Commission) adopted EPIC in December 2011, authorizing the collection of system benefits charges for renewables and research, development, and demonstration purposes. In May 2012, the Commission adopted Decision 12-05-037, which provides the framework for Commission oversight of the administration of EPIC. The decisions also set the framework for providing funding for investments in applied research and development, technology demonstration and deployment, and market facilitation of clean energy technologies and approaches.

The Phase 1 decision authorized funding collections in 2012 of \$143.4 million, and the Phase 2 decision authorized funding collections starting in January 2013 of \$162 million per year, with 80 percent of those funds to be administered by the Energy Commission and 20 percent to be administered by the three IOUs. The Phase 2 decision also establishes ratepayer benefits as the mandatory guiding principle for investment decisions.

III. PROGRAM STATUS

Senate Bill 1018 (Chapter 39, Statutes of 2012) established the EPIC Fund in the State Treasury to receive EPIC Program funding which would be administered by the Energy Commission. Additionally, Senate Bill 1018 allows the Energy Commission to use this funding as authorized by the Commission and appropriated by the Legislature.²

The Commission is currently holding a proceeding to consider the proposed investment plans submitted by the four administrators. On November 1, 2012, the Energy Commission filed

² Public Resources Code Section 25711.

Application (A.) 12-11-001 for approval of its proposed EPIC triennial investment plan for the period 2012 through 2014, pursuant to D.12-05-037. A prehearing conference was held on December 21, 2012. On January 7, 2013, the Commission issued the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge (Scoping Memo). The Energy Commission has participated in activities pursuant to the Scoping Memo as follows:

- On January 17, 2013, Energy Commission staff participated in a workshop at the Commission for the EPIC proceeding. The purpose of the workshop was to “provide an opportunity for parties to clarify the investment plans and help narrow any issues which may require evidentiary hearings.”³ The Energy Commission, on behalf of the four administrators, filed a summary report of the workshop on January 25, 2013.
- On February 4, 2013, the Energy Commission submitted clarifying comments to its proposed EPIC 2012-2014 Triennial Investment Plan. Each EPIC administrator filed clarifying comments in response to the January 28, 2013, *Administrative Law Judge’s Ruling Amending Proceeding Schedule and Directing Applicants to Clarify Investment Plans*.
- On February 11, 2013, the Energy Commission filed concurrent comments on the following topics: the January 17, 2013 workshop and investment plan meetings; comments on Administrators’ responses to the Administrative Law Judge’s ruling on January 28, 2013; and identification of disputed factual issues for hearing, if any.
- On February 19th, 2013, the Energy Commission filed reply comments.

On February 22, 2013 the assigned Administrative Law Judge issued a ruling canceling evidentiary hearings and amending the schedule. The amended schedule calls for concurrent opening briefs to be filed on March 15, 2013; concurrent reply briefs be filed on March 22, 2013; a proposed decision on May 22, 2013; and the first Commission meeting to consider the proposed decision on June 25, 2013.

³ CPUC, January 7, 2013, *Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judge*, Application 12-11-001, Application 12-11-002, Application 12-11-003, Application 12-11-004, page 12.

IV. ACCOMPLISHMENTS

In 2012, the Energy Commission developed and adopted the Proposed EPIC 2012-14 Triennial Investment Plan. In accordance with Decision 12-05-037, the CEC EPIC investment plan presents the Energy Commission's strategy for administering EPIC funds for applied research and development, technology demonstration and deployment, and market facilitation from 2012 to 2014 and administering funds for the New Solar Homes Partnership for 2013 and 2014. Throughout the investment plan process, the Energy Commission worked collaboratively with the other three administrators to coordinate investment plans and ensure funding initiatives were complementary and not duplicative.

V. BUDGET

The Energy Commission has expended \$286,466.53 for the 2012 calendar year to administer the EPIC Program.

Respectfully submitted,

CALIFORNIA ENERGY COMMISSION

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