CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER FILING SUMMARY
ENERGY UTILITY

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

Marin Clean Energy

Utility type:	
☑ ELC ☐ GAS	Michael Callahan-Dudley Phone #: 415-464-6045
☐ PLC ☐ HEAT ☐ WATER	E-mail: mcallahan-dudley@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): 10-E

Subject of AL: Closing Single Family On-Bill Repayment Program and Fund Shifting the Budget to MCE's Multi-Family Program

Tier Designation: ☐ 1 ☑ 2 ☐ 3

Keywords (choose from CPUC listing):

AL filing type: ☐ Monthly ☐ Quarterly ☐ Annual ☑ One-Time ☐ Other ____________________________

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution: N/A

Does AL replace a withdrawn or rejected AL?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Summarize differences between the AL and the prior withdrawn or rejected AL[1]: ___________________

Resolution Required? ☐ Yes ☑ No

Requested effective date: October 17, 2015 No. of tariff sheets:

Estimated system annual revenue effect: (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed[1]:

Pending advice letters that revise the same tariff sheets:

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-Dudley, Regulatory Counsel
(415) 464-6045
mcallahan-dudley@mceCleanEnergy.org

[1] Discuss in AL if more space is needed.

September 17, 2015

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

Advice Letter 10-E

Re: Request for Approval to Close Single-Family On-Bill Repayment Program and Shift Funds to MCE's Multifamily Budget

In compliance with the California Public Utilities Commission's ("Commission") Decision ("D.") 09-09-047, Ordering Paragraph ("OP") 43, filed September 24, 2009 and the Energy Efficiency Policy Manual,[1] Marin Clean Energy ("MCE") submits this filing to request permission to close the Single Family On-Bill Repayment Program ("SFOBR Program") and fund shift to MCE's Multifamily Program for 2015.

Effective Date: October 17, 2015

Tier Designation: Tier 2

Pursuant to General Order 96-B, Energy Industry Rule 5.2 this advice letter is submitted with a Tier 2 designation.

Purpose

The purpose of this advice filing is to seek approval to close MCE's SFOBR Program and fund shift to MCE's Multifamily Program for 2015.

Background

MCE's SFOBR Program is designed to provide low-cost financing to improve the energy efficiency of Single-Family buildings. The program is facing two significant challenges: (1) low participation; and (2) the lending institution permanently closed the program to new applicants.

MCE's Multifamily Program provides assessments and rebates for common area and direct installation of in-unit measures to save energy. Program participation exceeded projections and MCE lacks a sufficient budget to serve the 2015 project pipeline. The majority of the budget shortfall is gas funding; however, there is also a shortfall in electric funding. Closing the SFOBR Program and shifting the available funds to MCE's Multifamily Program will cover the shortfall

[1] Version 5, July 2013, Section II.7 at p. 13, available at http://www.cpuc.ca.gov/NR/rdonlyres/7E3A4773-6D35-4D21-A7A2-9895C1E04A01/0/EEPolicyManualV5forPDF.pdf.

of electric funding. MCE is also performing a set of smaller fund shifts into the Multifamily Program that collectively exceed the 15% per annum threshold.

Independently from this filing, MCE has requested an amendment to the gas funding contract between MCE and Pacific Gas and Electric Company (PG&E) to close the shortfall of gas funding in MCE's Multifamily Program. This independent but related gas funding increase is not the subject of this advice letter, however it is important to ensure MCE's programs have sufficient funding.

Closing MCE's SFOBR Program

MCE's SFOBR Program is intended to eliminate the barrier of high up-front costs for substantial energy efficiency upgrades. The program has suffered from low participation; only one loan was issued since its launch in 2013. Additionally, MCE's lending institution for the SFOBR Program has ceased accepting new applicants and has terminated the operating agreement governing the program. The lending institution has agreed to continue to service the outstanding loan subject to a $500 balance in the loan loss reserve ("LLR") account from MCE in the event of default. Once the loan is repaid, the $500 will be transferred to MCE and will be used to offset the payment from PG&E to MCE for the following budget year similarly to the treatment of unspent funds.[2]

Other programs are available to serve the single-family customer segment with energy efficiency financing to eliminate the barrier of up-front costs. These programs include the statewide financing pilots and Property Assessed Clean Energy ("PACE") Programs. MCE will refer its single-family customers to those programs for financing.

Due to the challenges faced by the SFOBR Program and the presence of alternative financing options, MCE is requesting to close the SFOBR Program.

Shifting Funds to MCE's Multifamily Program

MCE's Multifamily Program has experienced unexpectedly high enrollment. The existing budget for both electric savings and gas savings are insufficient to complete the project pipeline for 2015. At this time, MCE has $244,465 in unmet need based on signed rebate reservations. Of that amount, $193,453 is needed for gas savings. MCE also completed assessments for a number of other customers and anticipates a portion of those to return signed rebate reservations, resulting in additional commitments for MCE's 2015 Multifamily budget. MCE plans to shift funds between existing program budgets to serve the Multifamily projects.

MCE requests approval to perform a set of relatively small fund shifts within 2015 budgets that collectively exceed the 15% per annum threshold for Multifamily. MCE analyzed the performance of its Commercial, Single Family, and Financing Programs in 2015 to identify funds that would likely remain unspent. MCE requests approval to shift these funds to MCE's Multifamily Program. These fund shifts are detailed in Table 1 below.

[2] D.14-10-046 at 44.

Table 1: Proposed Fund Shifts from 2015 Budgets ($)				
Program	**2015 Budget**	**Shift Out**	**Shift In**	**New Budget**
Multifamily	423,486		96,473	519,959
Commercial	432,379	(77,789)		354,590
Single Family	264,402	(31)		264,371
Financing	100,000	(18,653)		81,347
Total	**1,220,267**	**(96,473)**	**96,473**	**1,220,267**

MCE also requests the LLR funds that will become available upon closure of the SFOBR Program be shifted to MCE's Multifamily Program. The SFOBR Program was originally approved in 2012 as one of three financing pilots.[3] The three pilots shared a budget of $1,192,000 for program years 2013-2014.[4] The SFOBR Program has $500,000 designated for a LLR account to buy down interest rates for loans issued under the program. The LLR carries over year to year as committed funds and is the only remaining unspent budget in the SFOBR Program. The $500,000 minus the $500 balance that must remain in the LLR account leaves $499,500 available for fund shifting upon closing the SFOBR Program.

MCE requests to shift the $499,500 in available funds from the closure of MCE's SFOBR Program to MCE's Multifamily Program. These funds are anticipated to completely cover the unmet need for electric savings for the existing committed projects and for any new committed projects in 2015.

Table 2: Proposed Fund Shift of LLR to Multifamily Program ($)				
Program	**2015 Budget (incl. Table 1 shifts)**	**Shift Out**	**Shift In**	**New Budget**
Multifamily	519,959		499,500	1,019,459
SFOBR (LLR)	500,000	(499,500)		500
Total	**1,019,959**	**(499,500)**	**499,500**	**1,019,959**

Independent Amendment to Gas Funding Contract

As mentioned in the Background section above, MCE has requested an amendment to the MCE-PG&E gas funding contract independently from this advice letter. MCE will use the increased gas funds for the 2015 Multifamily Program. That amendment regarding gas funds is not contained within this advice letter. So, approval of this advice letter will have no impact on that amendment. MCE includes this information about the amendment only to provide context for this advice letter and provide clarity on how the gas funding shortfall will be met.

[3] D.12-11-015 at 49-50.
[4] *Id*. at 51.

Notice

MCE respectfully requests a shortened protest period. 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 5 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, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

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

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

Michael Callahan-Dudley
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MARIN CLEAN ENERGY
1125 Tamalpais Avenue
San Rafael, CA 94901
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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-Dudley at (415) 464-6045 or by electronic mail at mcallahan-dudley@mceCleanEnergy.org.

/s/ Michael Callahan-Dudley

Michael Callahan-Dudley
Regulatory Counsel
MARIN CLEAN ENERGY

cc: Service List R.13-11-005