

**PUBLIC UTILITIES COMMISSION**505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298

January 28, 2014

**Subject: Delay in Launch of Statewide Finance Pilots**

Dear Energy Efficiency Finance Stakeholders,

As a courtesy, we wanted to inform you that there will be an unavoidable delay in the launch of the new statewide energy efficiency finance pilots to be offered in California's major investor-owned utility regions.

We appreciate your continued interest and involvement in the development of these pilots and want to share this status and the scheduling implications of the pilot roll outs. At the same time, we take this opportunity to provide some updated information that may be of interest. While the delay is beyond the control of the leading agencies and utilities, we continue to work to further clarify pilot design elements. We may seek your input on some of these issues during the interim period.

**Schedule Delay**

The launch of the pilots is delayed for approximately six months while the California Alternative Energy and Advanced Transportation Financing Authority's (CAEATFA's) request for state legislative budget authority to act as the California Hub for Energy Efficiency Financing (CHEEF) moves through the regular state budget process for fiscal year 2014-15. In approving CAEATFA to act as the CHEEF, the CPUC anticipated that CAEATFA quickly would gain mid-year budget authority in late 2013 and could commence its work in Q1 of 2014. With the Legislative preference to take up this issue during the regular state budget process, we anticipate that CAEATFA might gain budgetary authority to serve as the CHEEF as early as July 1, 2014 -- the start of the 2014-2015 state fiscal year. Practically, until CAEATFA has received budget authority, it cannot take on the functions of the CHEEF, such as entering into contracts and adopting program regulations. We will continue to work with SoCalGas and PG&E on the limited "pre-development" launch of the utility-managed multifamily and Energy Finance Line Item Charge (EFLIC) pilots, respectively. In addition, Commission staff and all of the IOUs will continue to consult with CAEATFA on any pilot content that can continue to be developed during this interim period, as well as on a modified schedule for launching the pilots.

**Additional Energy Efficiency Financing Information**

At the link below, please find the four utilities' bill payment history for residential and non-residential sectors as ordered by the Commission. Also available at that site are the utilities' submission of the Data Working Group report, which indicates what data the finance pilots will collect for a public database on loan and retrofit project profiles and performance.

<http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/Financing.htm>

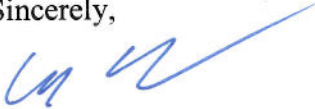
Additionally, PG&E will post a set of insightful finance market research studies across customer sectors by February 3, 2014 at the following link: <http://www.caleefinance.com>. By signing up for notifications at that site, you can find out when more finance research findings or other relevant information is posted.

### **Next Steps**

The CPUC will strive to keep parties and interested stakeholders abreast of a modified pilot rollout schedule. We will continue to informally seek input as we further clarify pilot design elements. In coming weeks the CPUC will be reviewing for approval:

- The On-Bill Repayment tariff the utilities filed in December of 2013. The tariff would implement key features of the non-residential and multi-family on-bill repayment pilots, such as allowing transfer of debt obligation to the next metered customer, utility disconnection of service for failure to pay the debt charge, and on-bill collection of monthly debt service.
- The program implementation plans the utilities filed for the seven residential and non-residential pilots in November and December of 2013. These are posted at <http://www.caleefinance.com/>

Sincerely,



Edward Randolph  
Energy Division Director