<table>
<thead>
<tr>
<th><strong>Docket Number:</strong></th>
<th>20-EPIC-01</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Project Title:</strong></td>
<td>Development of the California Energy Commission Electric Program Investment Charge Investment Plans 2021-2025</td>
</tr>
<tr>
<td><strong>TN #:</strong></td>
<td>241275</td>
</tr>
<tr>
<td><strong>Document Title:</strong></td>
<td>Joint EPIC Administrator Advice Letter on Administrative Costs</td>
</tr>
<tr>
<td><strong>Description:</strong></td>
<td>N/A</td>
</tr>
<tr>
<td><strong>Filer:</strong></td>
<td>Misa Werner</td>
</tr>
<tr>
<td><strong>Organization:</strong></td>
<td>California Energy Commission</td>
</tr>
<tr>
<td><strong>Submitter Role:</strong></td>
<td>Commission Staff</td>
</tr>
<tr>
<td><strong>Submission Date:</strong></td>
<td>1/25/2022 10:51:50 AM</td>
</tr>
<tr>
<td><strong>Docketed Date:</strong></td>
<td>1/25/2022</td>
</tr>
</tbody>
</table>
January 24, 2022

Advice 6478-E  
(Pacific Gas and Electric Company ID U 39 E)

Advice 3940-E  
(San Diego Gas & Electric Company U 902 E)

Advice 4700-E  
(Southern California Edison Company U 338 E)

Advice 121-2  
(California Energy Commission)

Public Utilities Commission of the State of California

Subject: Joint EPIC Administrator Advice Letter Proposal of Eligible Administrative Budget Line Items

Purpose


Background

The Commission first authorized the EPIC surcharge to fund Research, Development, and Demonstration (“RD&D”) programs in the public interest in D.11-12-035. The funding mechanism for these programs was expressly established by D.12-05-037.

The Commission opened an Order Instituting Rulemaking (R.19-10-005) in October 2019 to determine whether the EPIC Program should be granted renewal. The Commission issued D.20-08-042, which renewed the EPIC Program for a period of 10 years from 2021 through 2030\(^1\) and authorized Investor-Owned Utilities (“IOUs”) to collect $148 million for the CEC’s program annually beginning 2021 unless otherwise ordered or adjusted in the future by the Commission.\(^2\) In D.21-11-028, the Commission determined that IOUs shall

\(^1\) OP1, D.20-08-042  
\(^2\) OP3, D.20-08-042
continue to administer their portions of EPIC\(^3\) and authorized the collection of $185 million annually beginning 2021.\(^4\) D.21-11-028 also raised the CEC’s administrative expenditure cap from 10% to 15% of their overall program budget.\(^5\)

In D.21-11-028, the Commission also ordered the Joint Administrators to host a public workshop no later than 60 days after the issuance of D.21-11-028 to propose a detailed line-item list of EPIC administrative costs that all Administrators may follow, and to file a Tier 2 Advice Letter with their proposal no later than 10 days after the workshop.\(^6\) This Advice Letter provides the proposed list of eligible administrative budget line items. In addition, it identifies and describes certain areas in which the IOUs and CEC differ in administrative activities and associated charging practices, and provides rationale for these differences.

**Discussion**

Following consultation with the Commission’s Energy Division staff on the agenda and the content of the presentation, on January 12, 2022, the Joint Administrators held a public workshop. In preparation for the workshop, the CEC and IOUs held multiple sessions to develop a framework of administrative cost categories, identify specific administrative activities, and define the mapping between the cost framework and activities. Attachment A includes the EPIC Administrative Cost Framework and Example EPIC Administrative Activities tables (Tables 1 and 2, respectively) presented in the workshop with non-editorial clarifications indicated in underline and strikethrough. The EPIC Administrative Cost Framework table includes clear definitions of the administrative cost categories. The EPIC Administrative Activities table defines the specific activities that comprise EPIC administration, explains any differences between IOU and CEC activities, and maps each activity back to the applicable cost categories.\(^7\)

On January 14 and 18, 2022, the Joint Administrators received follow-up questions and clarification from Energy Division staff after the workshop. These questions and the Joint Administrators’ responses are included in Attachment B.

**Public Comments During and After the Workshop**

There were no public comments during the workshop. No written comments on the workshop were served on the Commission’s service list or filed in the CEC’s Docket 20-EPIC-01.

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\(^3\) OP1, D.21-11-028
\(^4\) OP3, D.21-11-028
\(^5\) OP4, D.21-11-028
\(^6\) OP16, D.21-11-028
\(^7\) The costs and activities described here relate solely to the Joint Administrators’ administration budgets and do not include potential variations in costs or activities charged to program area (RD&D) budgets.
Conclusion

On behalf of the Joint Administrators, PG&E respectfully requests the Commission approve this Tier 2 Advice Letter and attachments.

Protests

Anyone wishing to protest this submittal may do so by letter sent electronically via E-mail, no later than February 14, 2022, which is 21 days\(^8\) after the date of this submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
E-mail: EDTariffUnit@cpuc.ca.gov

The protest shall also be sent to the EPIC Administrators via E-mail at the addresses shown below on the same date it is electronically delivered to the Commission:

**For PG&E:**
Sidney Bob Dietz II
Director, Regulatory Relations
c/o Megan Lawson
E-mail: PGETariffs@pge.com

**For SCE:**
Shinjini C. Menon
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-3377
Facsimile: (626) 302-6396
E-mail: AdviceTariffManager@sce.com

Tara S. Kaushik
Managing Director, Regulatory Relations
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

---

\(^8\) The 20-day protest period concludes on a weekend; therefore, PG&E is moving this date to the following business day.
For SDG&E: Attn: Greg Anderson  
Regulatory Tariff Manager  
8330 Century Park Court, CP31F  
San Diego, CA 92123-1548  
E-Mail: GAnderson@sdge.com and  
SDGETariffs@sdge.com

For CEC: Christina Evola  
Senior Attorney  
Chief Counsel’s Office  
California Energy Commission  
715 P Street  
Sacramento, CA 95814-5512  
Telephone: (916) 891-8095  
Email: Christina.Evola@energy.ca.gov

Any person (including individuals, groups, or organizations) may protest or respond to an advice letter (General Order 96-B, Section 7.4). The protest shall contain the following information: specification of the advice letter protested; grounds for the protest; supporting factual information or legal argument; name and e-mail address of the protestant; and statement that the protest was sent to the utility no later than the day on which the protest was submitted to the reviewing Industry Division (General Order 96-B, Section 3.11).

Effective Date

PG&E requests that this Tier 2 advice submittal become effective on regular notice, February 23, 2022, which is 30 calendar days after the date of submittal.

Notice

In accordance with General Order 96-B, Section IV, a copy of this advice letter is being sent electronically and via U.S. mail to parties shown on the attached list and the parties on the service list for R.19-10-005. Address changes to the General Order 96-B service list should be directed to PG&E at email address PGETariffs@pge.com. For changes to any other service list, please contact the Commission’s Process Office at (415) 703-2021 or at Process_Office@cpuc.ca.gov. Send all electronic approvals to PGETariffs@pge.com. Advice letter submittals can also be accessed electronically at: http://www.pge.com/tariffs/.

/S/
Sidney Bob Dietz II  
Director, Regulatory Relations
Attachments

cc: Service List R.19-10-005
Company name/CPUC Utility No.: Pacific Gas and Electric Company (ID U39 E)

Utility type: □ ELC □ GAS □ WATER
□ PLC □ HEAT

Contact Person: Kimberly Loo
Phone #: (415)973-4587
E-mail: PGETariffs@pge.com
E-mail Disposition Notice to: KELM@pge.com

EXPLANATION OF UTILITY TYPE
ELC = Electric
PLC = Pipeline
GAS = Gas
HEAT = Heat
WATER = Water

Advice Letter (AL) #: 6478-E, et al.
Tier Designation: 2

Subject of AL: Joint EPIC Administrator Advice Letter Proposal of Eligible Administrative Budget Line Items

Keywords (choose from CPUC listing): Compliance

AL Type: □ Monthly □ Quarterly □ Annual □ One-Time □ Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:
D.21-11-028

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: No

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

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: 2/23/22
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: N/A

Pending advice letters that revise the same tariff sheets: N/A

1Discuss in AL if more space is needed.
Protests and correspondence regarding this AL are to be sent via email and are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

California Public Utilities Commission
Energy Division Tariff Unit
Email: EDTariffUnit@cpuc.ca.gov

Contact Name: Sidney Bob Dietz II, c/o Megan Lawson
Title: Director, Regulatory Relations
Utility/Entity Name: Pacific Gas and Electric Company

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email: PGETariffs@pge.com

Contact Name:
Title:
Utility/Entity Name:

Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:
Attachment A

EPIC Administrative Cost Framework and Example EPIC Administrative Activities Tables
### Table 1. EPIC Administrative Cost Framework

<table>
<thead>
<tr>
<th>Functional Cost Category</th>
<th>Definition</th>
<th>Cost Tracking</th>
</tr>
</thead>
<tbody>
<tr>
<td>Labor (LA)</td>
<td>Salaries and wages, and associated benefits and payroll taxes for staff activities.</td>
<td>✓</td>
</tr>
<tr>
<td>General and Administrative Expense and Overhead (GE)</td>
<td>Ongoing operating expenses such as rent, utilities, IT, and other similar costs.</td>
<td>✓</td>
</tr>
<tr>
<td>Travel (TR)</td>
<td>Transportation, lodging, and meal costs associated with staff travel.</td>
<td>✓</td>
</tr>
<tr>
<td>Event Fees for Hosted and Attended Events (EV)</td>
<td>Costs associated with sponsoring, hosting, or attending events – including consortia, memberships, conferences, venue rentals, and other similar costs.</td>
<td>✓</td>
</tr>
<tr>
<td>Supplies and Materials (SU)</td>
<td>Office supplies, equipment, and other materials.</td>
<td>✓</td>
</tr>
<tr>
<td>Contracted Services (CO)</td>
<td>Third-party provided services such as technical support for proposal evaluation, data subscriptions to supplement benefits analysis, and augmentation of internal staff for project oversight and program coordination.</td>
<td>✓</td>
</tr>
</tbody>
</table>

### Table 2. EPIC Administrative Activities

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to</th>
<th>Reasons for Differences</th>
<th>Cost Category</th>
</tr>
</thead>
<tbody>
<tr>
<td>1</td>
<td>Investment Plan Development</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1.1</td>
<td>Internal ideation and coordination</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>1.2</td>
<td>External stakeholder coordination</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, TR, EV</td>
</tr>
<tr>
<td>1.3</td>
<td>Investment plan drafting and filing</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>2</td>
<td>Project Planning</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>2.1</td>
<td>Solicitation Development</td>
<td>✓</td>
<td>×</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>2.2</td>
<td>Post-Solicitation Release Activities (pre-bid workshops, Q&amp;A)</td>
<td>✓</td>
<td>×</td>
<td>LA, GE, TR, SU</td>
</tr>
<tr>
<td>2.3</td>
<td>Internal coordination to define specific projects</td>
<td>×</td>
<td>✓</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>2.4</td>
<td>Socialization of proposed projects with external stakeholders</td>
<td>×</td>
<td>✓</td>
<td>LA, GE, SU, TR, EV</td>
</tr>
<tr>
<td>3</td>
<td>Project Initiation</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3.1</td>
<td>Proposal evaluation</td>
<td>✓</td>
<td>×</td>
<td>LA, GE, SU, CO</td>
</tr>
</tbody>
</table>
## 3.2 New agreement development

- This is the CEC’s execution of agreements with the successful bidders that will execute the projects, and not applicable to the IOUs as they do not award projects in their entirety, and instead conduct external sourcing for portions of project scope after project initiation.

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.2</td>
<td>New agreement development</td>
<td>✓, ×</td>
<td>the IOUs as they develop their detailed project business plans internally.</td>
<td>LA, GE, SU</td>
</tr>
</tbody>
</table>

## 3.3 Detailed business plan development

- This internal IOU development of detailed project business plans is analogous to external parties’ development of detailed project proposals for CEC grants.

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.3</td>
<td>Detailed business plan</td>
<td>×, ✓</td>
<td></td>
<td>LA, GE, SU, CO</td>
</tr>
</tbody>
</table>

## 3.4 Leadership approval and funding release

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>3.4</td>
<td>Leadership approval</td>
<td>✓, ✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
</tbody>
</table>

## 4 Post-Initiation Vendor Sourcing

- These IOU sourcing activities are analogous to the CEC activities under Project Initiation. Differences are that the IOUs conduct these for portions of project scope instead of the entire project and do not always conduct competitive solicitations (e.g., RFPs).

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>4.1</td>
<td>Coordination to define</td>
<td>×, ✓</td>
<td>These IOU sourcing activities are analogous to the CEC activities under Project Initiation. Differences are that the IOUs conduct these for portions of project scope instead of the entire project and do not always conduct competitive solicitations (e.g., RFPs.).</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>4.2</td>
<td>Execution of sourcing</td>
<td>×, ✓</td>
<td></td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>4.3</td>
<td>Negotiate terms &amp; conditions</td>
<td>×, ✓</td>
<td></td>
<td>LA, GE, SU, CO</td>
</tr>
</tbody>
</table>

## 5 Project Oversight & Governance

- LA, GE, SU, TR, CO

## 6 Stakeholder Communication, Engagement, and Outreach

- LA, GE, TR, SU, CO

## 6.4 Develop, manage, and curate online EPIC-related platforms

- While the IOU EPIC teams coordinate with disadvantaged communities, they do not participate in the DACAG in the formal capacity the CEC does.

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>6.4</td>
<td>Develop, manage, and curate</td>
<td>✓, ✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>ID</td>
<td>Activities Category</td>
<td>Applicable to CEC</td>
<td>IOUs</td>
<td>Reasons for Differences</td>
</tr>
<tr>
<td>----</td>
<td>-------------------------------------------------------------------------------------</td>
<td>-------------------</td>
<td>------</td>
<td>----------------------------------------</td>
</tr>
<tr>
<td>6.5</td>
<td>Conduct benchmarking and scan the external technology landscape</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
</tr>
<tr>
<td>6.6</td>
<td>Facilitate external letter of support and commitment processes</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
</tr>
<tr>
<td>6.7</td>
<td>Hold program-level workshops to share research results and solicit stakeholder input</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
</tr>
</tbody>
</table>

### 7 Technology Implementation & Knowledge Transfer

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to CEC</th>
<th>IOUs</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>7.1</td>
<td>Coordinate with internal and external stakeholders to share project progress and results</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
<td></td>
</tr>
<tr>
<td>7.2</td>
<td>Coordinate to define detailed path to operational deployment and ensure post-EPIC funding is incorporated during General Rate Case development</td>
<td>×</td>
<td>✓</td>
<td>This is unique to the IOUs as they have a direct path to adopt EPIC-funded technologies for use on their systems. The CEC does not directly adopt technologies.</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>7.3</td>
<td>Support project teams in developing comprehensive final reports</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>7.4</td>
<td>Develop, manage, and curate online project database and networking platforms such as EnergizeInnovation.fund and EmpowerInnovation.net</td>
<td>✓</td>
<td>×</td>
<td>These platforms were developed by CEC to share information about its RD&amp;D projects and support team networking around funding opportunities.</td>
<td>LA, GE, SU</td>
</tr>
</tbody>
</table>

### 8 Intellectual Property (IP) Coordination

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to CEC</th>
<th>IOUs</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>8.1</td>
<td>Coordinate with project teams and other stakeholders to identify IP, protection strategy, file patents, develop licensing agreements.</td>
<td>×</td>
<td>✓</td>
<td>The CEC does not engage in any direct IP protection or patent filing.</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>8.2</td>
<td>Assess royalty requirements at project close.</td>
<td>✓</td>
<td>×</td>
<td>The CEC has specific/standard royalty requirements and their own process for assessing royalties at project close.</td>
<td>LA, GE, SU</td>
</tr>
</tbody>
</table>

### 9 Regulatory Support and Compliance

<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to CEC</th>
<th>IOUs</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td>9.1</td>
<td>Participate in CPUC proceedings (filings, ordered workshops, and related activities)</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, TR, SU</td>
</tr>
<tr>
<td>9.2</td>
<td>Develop EPIC Annual Report</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>9.3</td>
<td>Conduct project and program benefits assessment</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>9.4</td>
<td>Support formal program audits, evaluations and data requests</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>9.5</td>
<td>Administer Policy + Innovation Coordination Group (PICG) contract on behalf of CPUC (PG&amp;E only)</td>
<td>×</td>
<td>✓</td>
<td>CPUC ordered that PG&amp;E perform this function.</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>9.6</td>
<td>Manage CEC and CPUC remittance payment processes</td>
<td>✓</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
</tbody>
</table>

### 10 Internal Management Coordination
<table>
<thead>
<tr>
<th>ID</th>
<th>Activities Category</th>
<th>Applicable to</th>
<th>Reasons for Differences</th>
<th>Cost Category Mapping</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>ID</td>
<td>Activities Category</td>
<td>Applicable to</td>
<td>Reasons for Differences</td>
</tr>
<tr>
<td>10.1</td>
<td>Regularly brief internal leadership and workforce on progress and results</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>10.2</td>
<td>Compile internal monthly dashboard reports on project status and health and communicate with internal stakeholders</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>11</td>
<td>Program and Process Coordination and Improvement</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>11.1</td>
<td>Develop and maintain guidance documentation (reference materials, procedures, process maps) to support program execution</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>11.2</td>
<td>Routinely identify process improvements and update guidance documentation</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
</tr>
<tr>
<td>11.3</td>
<td>PICG participation and support</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>11.4</td>
<td>Internal coordination among EPIC administrators and CPUC</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, TR</td>
</tr>
<tr>
<td>12</td>
<td>Administrative Activities</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>12.1</td>
<td>Program-level budget tracking and management</td>
<td>✓</td>
<td>n/a</td>
<td>LA, GE, SU, CO</td>
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<tr>
<td>12.2</td>
<td>Time accounting</td>
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<td>LA, GE, SU</td>
</tr>
<tr>
<td></td>
<td>Human Resources coordination</td>
<td>✓</td>
<td>×</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>13</td>
<td>Supervision and Personnel</td>
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<td></td>
<td></td>
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<tr>
<td>13.1</td>
<td>Job recruitments</td>
<td>✓</td>
<td>×</td>
<td>LA, GE, TR, SU</td>
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<td>New hire training and onboarding</td>
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<td>LA, GE, SU</td>
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<tr>
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<td>Staff meetings</td>
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<td>LA, GE, SU</td>
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<td>13.4</td>
<td>Staff performance appraisals</td>
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<tr>
<td>13.5</td>
<td>Personnel issues</td>
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<td>14</td>
<td>Training and Development</td>
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<td>×</td>
<td>LA, GE, SU</td>
</tr>
<tr>
<td>14.2</td>
<td>Discretionary training/skills development</td>
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<td>×</td>
<td>LA, GE, TR, SU</td>
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<tr>
<td>ID</td>
<td>Activities Category</td>
<td>Applicable to CEC</td>
<td>IOUs</td>
<td>Reasons for Differences</td>
</tr>
<tr>
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<td>---------------------</td>
<td>-------------------</td>
<td>------</td>
<td>-------------------------</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>The CEC disagrees with the IOU description because the CEC believes these activities may relate - though perhaps not exclusively - to EPIC administration.</td>
</tr>
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</table>
Attachment B

Follow-up Questions from CPUC Staff and Joint Administrators' Responses
Follow-up questions from CPUC Staff and Joint Administrators’ responses:

1. **Regarding Activity 6.3, Coordinate with Disadvantaged Community Advisory Group**, please provide information on how the IOU EPIC teams coordinate with disadvantaged vulnerable communities (DACs).

   a) **How is equity currently taken into account in IOU project planning and execution?**

   The IOUs understand the question to mean disadvantaged vulnerable community (DVC) and not disadvantaged community (DAC) as the question appeared to inadvertently combine the two definitions. The IOUs engage EPIC stakeholders including DVCs through formal public workshops. Workshops are held during investment planning to allow stakeholders to provide input and help shape the content of investment plans. Workshops are also held during investment plan execution to allow stakeholders to provide input on specific projects before they are launched, and to provide stakeholders with updates over the course of project execution. Beyond formal public workshops, the IOUs also engage with DVCs on an ad hoc basis, and in cases where projects are conducted in/with a DVC, the IOUs work closely with the DVC on project execution. As part of the upcoming EPIC 4 investment planning process, the IOUs will conduct at least two workshops with DVCs specifically in the Q2/early Q3 2022 timeframe, to better understand and align investment plans with community needs. These DVC workshops will be supplemental to the broader public workshops that will be conducted.

   Furthermore, where demonstration projects require a field component, the IOUs work with their respective public relations, regulatory and engineering teams to determine the optimal site(s) and look for opportunities to conduct the work in DVCs as part of these processes. In the future, the processes of evaluating DVCs as potential demonstration hosts could be aligned among the Administrators.

   b) **How do IOUs measure their engagement with DACs?**

   As noted above, the IOUs understand the question to mean disadvantaged vulnerable community (DVC) and not disadvantaged community (DAC). While the CEC has formal requirements around the amount of their EPIC work that is required to be conducted in DVCs and thus track their performance against these requirements, there are no corresponding requirements for the IOUs’ programs. As such the IOUs do not track any DVC-related metrics as part of their EPIC Programs. However, as the IOUs have previously communicated to the commission, a significant portion of IOU EPIC projects to date have taken place in DVCs.
2. **Regarding Activity Category 8, Intellectual Property Coordination**, per D.12-05-037, intellectual property (IP) policy is a complex issue area with legal and practical implications. IP has been addressed several times in EPIC, notably through D.12-05-037, D.13-11-025, D.15-04-020, and D.18-10-052.

   a) **Given these decisions, can you briefly summarize the reasoning for treating IP differently between the IOUs and the CEC?**

   The primary reason for differences in IP-related activities is that the CEC, as a state agency, does not file its own patents or execute agreements related to the monetization of EPIC-generated IP. The CEC instead sets standard royalty requirements in its EPIC grant agreements, and the grant recipients handle any decisions and actions around pursuing patents and monetizing the IP. The CEC then assesses any resultant royalties it is owed.\(^1\) On the other hand, the IOUs do file their own patents, and correspondingly develop their own monetization strategies, and negotiate any licensing of the IP on a case-by-case basis.

3. **Regarding Activity Category 8, Intellectual Property Coordination**, D.18-10-052 at 54 declined Evergreen Economics’ 2017 EPIC Evaluation Report recommendation on IP rules and guidance (Recommendation 3e), stating that the CPUC expects to address IP matters again in the near future. Further determination of EPIC IP policy is within scope of Phase 2C of the EPIC proceeding R.19-10-005.

   a) **Do the administrators believe further action on IP is required? If so, what are the particular issues to be addressed?**

   In their respective EPIC Successor Program (R. 19-10-005) Phase 2 Opening Briefs, administrators provided their positions on the recommendations from the Evergreen Evaluation as they relate to IP.\(^2\) As each administrator will expand on their own positions in Phase 2C of the proceeding, this issue should be deferred until then.

4. **Regarding Activity Categories 13, Supervision and Personnel, and 14, Training and Development**, please explain why these activities do not relate to IOU EPIC administration.

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\(^1\) Public Resources Code section 25711.5 subdivision (b) directs the CEC to consult with the state Treasurer to establish conditions for state intellectual property interest and royalties potentially derived by EPIC-funded projects, as noted by D.13-11-025, p. 71.

\(^2\) See, e.g., Opening Brief of the CEC on the Phase 2 Issues Identified in the Commission’s Phase 1 Decision Renewing EPIC, pp. 40-43; Southern California Edison Company’s (U 338-E) Opening Brief on Scope of Phase 2, pp. 9, 12; Opening Brief of Pacific Gas and Electric Company (U-39E) on Phase 2 Issues, pp. 13, C-2.
a) **Why is it not appropriate to charge EPIC for these activities proportionally based on the FTE fraction each IOU employee devotes to EPIC?**

Unlike the extensive set of other administrative activities identified in the tables that relate to the EPIC Program and are charged to EPIC, these activities do not generally relate directly to EPIC and are thus not charged to EPIC. These activities would be conducted regardless of the employee's involvement in EPIC. Also, the total cost of these activities is comparatively very low, and any sort of proportional allocation to EPIC (even if deemed appropriate) would be even lower. It would introduce significant complexity to implement timekeeping practices for the proportional allocation as described above, and any such proportional allocation could be difficult for IOUs to estimate given the intermittent nature of these costs and employees' varying level of involvement in EPIC over time.

If there are specific instances when an activity in one of these areas does relate directly to EPIC, such as a training course that might directly relate to administering/furthering EPIC, in such instances the IOU would charge costs related to the activity directly to EPIC.

b) **What is the impact of not fully explaining these costs through EPIC?**

The IOUs incur these costs through general expense order numbers associated with their general rate cases.

c) **Are these administrative costs recovered through EPIC project costs?**

No. Please see response to 4b above.

d) **Where are costs for these activities recovered from ratepayers if they are not recovered through EPIC?**

Per the response to 4b above, the IOUs incur these costs through general expense order numbers associated with their general rate cases.

e) **What is the magnitude of these costs for each individual IOU on an annual basis?**

Per the response to 4a above, the cost of these activities is very low compared to the cost of the set of administrative activities that directly relate to, and are charged to, the EPIC Program. As employees charge these costs to broader order numbers that are also used to capture other costs, (e.g., time spent by back-office employees supporting emergency operations centers) there is no precise way to retroactively calculate these costs.
PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV

AT&T
Albion Power Company
Alta Power Group, LLC
Anderson & Poole
Atlas ReFuel
BART
Barkovich & Yap, Inc.
California Cotton Ginners & Growers Assn
California Energy Commission
California Hub for Energy Efficiency Financing
California Alternative Energy and Advanced Transportation Financing Authority
California Public Utilities Commission
Calpine
Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity
Chevron Pipeline and Power City of Palo Alto
City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy
Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell

Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.
Los Angeles County Integrated Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McKenzie & Associates
Modesto Irrigation District
NLine Energy, Inc.
NRG Solar
OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy
Pioneer Community Energy
Public Advocates Office
Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.
SCD Energy Solutions
San Diego Gas & Electric Company
SPURR
San Francisco Water Power and Sewer Sempra Utilities
Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.
TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy