

Application No.:	<u>A.24-09-010</u>
Exhibit No.:	<u>Liberty-14</u>
Witnesses:	<u>J. Guenther</u>



(U 933-E)

Liberty Utilities (CalPeco Electric) LLC

2025 General Rate Case

Before the California Public Utilities Commission

Rebuttal Testimony – Public Purpose Programs

Tahoe Vista, California

July 24, 2025

Liberty CalPeco-01: Policy

Table of Contents

Section		Page	Witness
I.	PUBLIC PURPOSE PROGRAMS.....	1	J. Guenther
	A. Solar Incentive Program.....	1	
	B. Energy Efficiency Program.....	1	
	C. Transportation Electrification	2	

Liberty CalPeco-01: Policy

List of Tables

Section		Page
Table I-1 EE Program Recorded Costs		1

I.

PUBLIC PURPOSE PROGRAMS

A. Solar Incentive Program

Liberty withdraws its request for funding of the Solar Incentive Program (“SIP”) in years 2025-2027. The SIP was reviewed after submission of the 2025 GRC Application, and Liberty determined it was not prudent to re-launch the program in this GRC cycle. Liberty will propose a refund or credit to ratepayers for the 2022-2024 funding collected from ratepayers if the Commission finds it appropriate.

B. Energy Efficiency Program

Liberty forecasts \$0.466 million for its Energy Efficiency (“EE”) Program during the Test Year. SBUA agrees with Liberty’s proposal forecast. TURN recommends an annual budget of reducing Liberty’s forecast to \$0.400 million, slightly below Liberty’s proposal variance of \$0.066 million. Cal Advocates recommends reducing Liberty’s forecast to \$0.350 million, a variance of \$0.116 million.

Although, the Commission authorized \$0.250 million for Liberty’s annual EE budget in the previous GRC, the approved budget was insufficient. Liberty recorded costs exceeding the authorized amount to fully fund the EE programs during the prior GRC cycle applying the use of funds from previous budget cycles. As demonstrated in the table below and referenced by Cal Advocates, Liberty’s recorded costs exceeded the approved amount in each of the 2022 GRC program years.¹

***Table I-1
EE Program Recorded Costs***

EE Programs Recorded Costs								Liberty Proposed	Cal Advocates Recommended
Year	2018	2019	2020	2021	2022	2023	2024	2025	2025
Costs (\$)	\$439,884	\$370,952	\$180,782	\$267,885	\$367,372	\$341,708	\$400,799	\$466,783	\$350,000

In 2020 and 2021, Liberty’s EE Program spent less than \$350,000 due to the COVID-19 pandemic. In 2023, the underspend is attributed to exceptional inclement weather. Liberty’s service territory had the

¹ Cal Advocates Testimony, Exhibit CA-04, at p. 5.

1 second snowiest season on record, leading customers to focus more on home repairs than efficiency
2 upgrades.

3 In 2019 and 2022, Liberty's actual spend exceeded Cal Advocates' proposal of \$350,000.
4 Furthermore, in 2018 and 2024, Liberty's program expenses were greater than the \$400,000 proposed by
5 TURN.

6 In 2024, Liberty's recorded costs increased by 60 percent over the authorized amount, and by 17
7 percent over the previous year's recorded spend. Assuming this trend continues into the next GRC cycle,
8 Liberty would require \$470,109 to fund EE programs for test year 2025. Liberty forecasts \$466,783
9 annually for its 2025-2027 EE program years. The forecast is based on a three-year average of actual
10 program costs recorded from 2018-2019 and 2022 and excludes the period from 2020-2021, during which
11 the level of spend was abnormally low primarily due to impacts associated with the COVID-19 pandemic.
12 This historic average is then escalated for inflation based on the Consumer Price Index (CPI). The
13 escalation factor is derived from analysis of CPI adjusted for inflation (16 percent) in January 2023
14 compared to January 2019.

15 TURN and Cal Advocates suggest Liberty's forecast is not justified, but, as described above, the
16 forecast aligns with historical and recent trends. Liberty strives to meet California's ambitious GHG
17 reduction goals, which require an increase in the implementation of energy efficiency measures, not a
18 reduction. Cal Advocates' recommendation to reduce funding for Liberty's EE program directly
19 contravenes the state's legislative initiatives. While Cal Advocates' recommendation represents an
20 increase from the 2022 GRC authorized amount, it still reflects a 47 percent reduction to the Commission-
21 authorized amounts from Liberty's previous 2016 and 2019 GRCs.

22 Based on Liberty's recent recorded costs and the need to continue implementing energy efficiency
23 measures aligned with California's energy efficiency goals, the Commission should adopt Liberty's
24 forecast of \$466,783.

25 **C. Transportation Electrification**

26 Liberty administers its Transportation Electrification ("TE") programs in accordance with
27 Commission Decisions (D.) 18-09-034 and D.19-011-017. SBUA proposes that Liberty should increase

1 incentives for small business rebates and aggregate administrative costs across TE programs. As the
2 funding, implementation, and administration of Phase 1 TE programs were established by D.18-09-034
3 and any recommendations for changing the program are outside the scope of the GRC proceeding.