

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

Application of Southern California Edison Company  
(U338E) for Approval of Energy Efficiency Rolling  
Portfolio Business Plan.

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And Related Matters.

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Application 17-01-013  
(Filed January 17, 2017)

Application 17-01-014  
Application 17-01-015  
Application 17-01-016  
Application 17-01-017

**RESPONSE OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) TO  
THE REQUEST FOR SUPPLEMENTAL BUDGET-RELATED INFORMATION**

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# **APPENDIX**

**Southern California Gas Company  
Supplemental Energy Efficiency Business Plan Budget Information**

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Supplemental Energy Efficiency Business Plan Budget Information**

**Preamble**

On May 15, 2017, Southern California Gas Company (SoCalGas) provided responses to the request for supplemental information identified in Attachment A of the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judges, dated April 14, 2017 (Scoping Ruling). The Ruling directed the Investor Owned Utilities (IOUs), the non-IOU Program Administrators (PAs), The Utility Reform Network (TURN), and the Office of Ratepayer Advocates (ORA) to hold a meet and confer session on supplemental budget filings by April 2017. Additionally, the Scoping Ruling directed Program Administrators (PAs) to submit supplemental budget information agreed upon in the meet and confer in response to the Scoping Ruling's Attachment A, Section I.C. Question 9.

The IOU PAs, including SoCalGas, provide their supplemental budget information agreed upon through the meet and confer process with the following understanding:

1. Budgets adopted in this proceeding should be indicative of expected PA activities until the Rolling Portfolio Energy Efficiency (EE) market structure has reached a steady state. Budget allocation for administrative functions should be flexible to accommodate process improvements that become necessary as the new market structure evolves.
2. The PAs must retain flexibility to manage their EE programs and costs to achieve maximum efficiencies. That is, PAs may adjust in-house EE organizational structure, including staffing level and budgets, without prior Commission or Commission staff approval, so long as changes are documented so that this information can inform future review of proposed administrative budgets.
3. There must be a level playing field for all PAs. All PAs should be required to provide the same level of budget transparency and be subject to the same program evaluation standard, e.g., cost-effectiveness by program level. The same budget template will be used to describe the administrative costs of all EE PAs. Any non-IOU PA that cannot provide information in the requested format should provide equivalent information and any necessary explanation.

With this understanding in mind, SoCalGas hereby provides its supplemental budget information, shown in Attachment A to this document, using the common budget template developed in consultation with TURN and ORA as well as the PAs.

Attachment A provides the following information (to the extent available, and subject to all noted qualifiers, caveats, and disclaimers):

- How much of each year's budget SoCalGas anticipates spending "in-house" (e.g., for administration, non-outsourced direct implementation, other non-incentive costs, marketing), by sector and by crosscutting program.
- The number of full-time equivalent employees for 2016 (current) and 2018 (projected) EE Programs.
- Costs by functional area of management structure.

In addition to the common budget template, SoCalGas provides the following additional Energy Efficiency Program budget information (to the extent available, and subject to all noted qualifiers, caveats, and disclaimers):

- Description of in-house EE organizational structure and associated costs.
- Costs by functional area of management structure.
- Explanation of allocation of labor and O&M costs between EE-functions and other non-EE functions.

This document consists of: (1) a "narrative outline" as developed by ORA and TURN, populated with responses; (2) Attachment A (budget-related information); (3) Attachment B (organizational chart); (4) Attachment C (solicitation schedule); and (5) Attachment D (aggregated budgets for statewide programs).

## I. DESCRIPTION OF IN-HOUSE EE ORGANIZATIONAL STRUCTURE & ASSOCIATED COSTS

### A. Narrative description of in-house departments/organizations supporting the PA's EE portfolio

#### 1. Functions conducted by each department/organization.

##### Response:

The following is a list of functions conducted by SoCalGas departments supporting EE programs, as shown in the organizational chart in Attachment B.

- Customer Strategy and Engagement Department – Provides support for marketing of EE programs.
- Clean Transportation Business Development – Manages emerging technology projects.
- Commercial and Industrial Services – Provides account executive support for energy efficiency projects with SoCalGas commercial and industrial customers.
- Customer Programs and Assistance (CP&A) – Provides overall policy, strategy, compliance, audits, regulatory support, data analytics, evaluation, measurement and verification (EM&V), product review, and management of evaluation studies. CP&A also provides overall EE program management, which includes program administration, design, implementation, contract management, and product and channel management for all sectors.

#### 2. Management structure and org chart.

##### Response:

Please see Attachment B.

#### 3. Staffing needs by department/organization, including current and forecast for 2018, as well as a description of what changes are expected in the near term (2019-2020) or why it's impossible to predict beyond 2018, if that's the PA's position.

##### Response:

SoCalGas provides the requested information regarding its staffing needs, both current (2016) and estimated (2018) by function at the aggregated category in Attachment A. SoCalGas' Business Plan outlines a solicitation strategy that is to be conducted in three

phases between now and 2020 in order to obtain new program designs based on strategies proposed in the Business Plan. It is currently unknown to what extent programs and vendor contracts developed through this effort will impact SoCalGas' organization or staffing needs.

4. Non-program functions currently performed by contractors (e.g. advisory consultants), as well as a description of what changes are expected in the near term (2019-2020) or why it's impossible to predict beyond 2018, if that's the PA's position.

**Response:**

SoCalGas currently utilizes consultants to provide portfolio support, including regulatory, program/process design, and solicitation management. As mentioned above, it is currently unknown to what extent SoCalGas' current organization, staffing, and reliance on consultants will continue until the solicitation strategy is fully implemented and new energy efficiency programs are designed and launched.

5. Anticipated drivers of in-house cost changes by department/organization.

**Response:**

As mentioned above, it is currently unknown to what extent SoCalGas' current organization, staffing, and reliance on consultants will continue until the solicitation strategy is fully implemented and new energy efficiency programs are designed and launched.

6. Explanation of method for forecasting costs.

**Response:**

SoCalGas' 2018 budget is flat compared to the 2017 budget. This budget is based on the Commission-authorized budget set in D.14-10-046.<sup>1</sup> However, for post-2018, SoCalGas evaluated historical portfolio, program, and cost category performance, as well as market sector forecasts including the Energy Efficiency Potential and Goals Study for 2015 and Beyond and AB 802 Technical Analysis, to develop the proposed budget.

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<sup>1</sup> See D.14-10-046, Ordering Paragraph 21.

**B. Table showing PA EE “Full Time Equivalent” headcount by department/organization**

1. TURN and ORA like this example, taken from testimony PG&E’s 2017 GRC addressing its Energy Procurement department. We would be looking for 2016 or 2017 “recorded” positions, depending on what’s most appropriate for the PA, or both, if that provides the most clarity. For forecast years, we’d want at least 2018.
  - Note, if PAs’ FTE needs change, these changes can be made without reporting or seeking CPUC approval.

**TABLE 6-3(a)  
EP HEADCOUNT  
NUMBER OF PLANNED POSITIONS**

Line No.	Description	2014 Positions	2015 Forecast	2016 Forecast	2017 Forecast
1	EP Administrative Office	4	4	4	4
2	Energy Supply Management (ESM)	126	131	131	134
3	Renewable Energy (RE)	38	40	40	41
4	Energy Policy, Planning and Analysis (EPPA)	46	46	46	46
5	Value Based Reliability (VBR)	10	12	12	12
6	Energy Contract Management and Settlements (ECMS)	79	80	80	80
7	Energy Compliance and Reporting (ECR)	18	18	18	18
8	Total	321	331	331	335

(a) See WP Table 6-7, Exhibit (PG&E-5).

**Response:**

SoCalGas does not track or forecast FTEs at this granular level for EE programs or in its Business Plan. This is an exercise proposed by ORA and TURN, and was not part of the prescriptive guidance on business plan preparation as contained in the operative Commission decisions. Notwithstanding, SoCalGas has made a good-faith effort to provide an approximate FTE breakdown in the manner requested. Please see the information provided in Attachment A, Portfolio Headcount (FTE) tab.



**C. Table showing costs by functional area of management structure**

1. Expenses broken out into labor, non-labor O&M (with contract labor identified).

**Response:**

Please see the information provided in Attachment A.

2. Identify any capital costs.

**Response:**

SoCalGas' capital costs are not part of the EE portfolio budget.

**D. Table showing cost drivers across the EE organization**

1. TURN and ORA like this example, taken from testimony PG&E's 2017 GRC addressing its Energy Procurement department. While this example pertains to departmental cost increases, in our case, cost increases or decreases would be attributed to major cost drivers.

**TABLE 6-2(a)  
EP COST INCREASE  
2015-2017 EXPENSE BY COST DRIVER**

<u>Line No.</u>	<u>Description</u>	<u>Increase in Thousands of \$</u>	<u>Percent of Total Increase</u>
1	Escalation	3,597	57
2	Portfolio Complexity	1,136	18
3	Regulatory Mandates	1,192	19
4	Process Improvements	400	6
5	Total	6,324	100

(a) See WP Table 6-6, Exhibit (PG&E-5).

**Response:**

SoCalGas does not forecast EE budgets in a manner similar or comparable to a forecast as prepared in a General Rate Case (GRC). This is an exercise proposed by ORA and TURN, and was not part of the prescriptive guidance on business plan preparation as contained in the operative Commission decisions. Therefore, SoCalGas does not believe this exercise provides a useful or reliable analysis in the EE context. Notwithstanding, and with those limitations in mind, SoCalGas makes a good faith effort to provide the information in the manner requested.

SoCalGas' 2018 budget is flat compared to the 2017 budget, therefore, there are no major cost drivers. Post-2018, the increase in the energy efficiency incentive budget necessary to achieve an increase in the energy efficiency goals, which will be known once goals are set by the Commission, expected in Fall 2017, can be viewed as a "cost driver." Additionally, the shift to net goals can be viewed as another cost driver.

**E. Explanation of allocation of labor and O&M costs between EE-functions and GRC-functions or other non-EE functions**

1. When an employee spends less than 100% of her/his time on EE, how are costs tracked and recovered (e.g., on a pro rata basis between EE rates and GRC rates; when time exceeds a certain threshold, all to EE; etc.).

**Response:**

SoCalGas does not forecast EE budgets in a manner similar or comparable to a forecast as prepared in a GRC. This is an exercise proposed by ORA and TURN, and was not part of the prescriptive guidance on business plan preparation as contained in the operative Commission decisions. Therefore, SoCalGas does not believe this exercise provides a useful or reliable analysis in the EE context. Notwithstanding, and with those limitations in mind, SoCalGas makes a good faith effort to provide the information in the manner requested.

SoCalGas uses its accounting tracking system, including designated internal order numbers for each program cost category, to track the costs associated with EE programs. Using SoCalGas' time keeping system (MyTime) an employee records actual hours of work performed on EE programs. MyTime is used to record, review, and approve the actual time spent on EE programs bi-weekly, which is reviewed for accuracy on a monthly basis.

2. Describe the method used to determine the proportion charged to EE balancing accounts for all employees who also do non-EE work.

**Response:**

As mentioned above, MyTime uses EE-designated internal order numbers to track actual hours worked on EE. The designated EE internal order numbers are then used to capture EE costs to the EE balancing account.

3. Identify the EE functions that are most likely to be performed by employees who also do non-EE work (e.g. Customer Account Representatives?)

**Response:**

The EE functions that are most likely to be performed by employees who also do non-EE work are Information Technology, Account Management, and Marketing.

4. Are labor costs charged to EE fully loaded?

**Response:**

Only labor loaders for Vacation & Sick and Payroll Taxes are charged to EE.

5. How are burden benefit-related A&G expenses for employees who work on EE programs recovered (EE rates or GRC rates)? \*\*PG&E allocates these costs to EE pursuant to a settlement agreement with MCE and TURN, which was adopted in D.14-08-032.

**Response:**

SoCalGas does not forecast EE budgets in a manner similar or comparable to a forecast as prepared in a GRC. This is an exercise proposed by ORA and TURN, and was not part of the prescriptive guidance on business plan preparation as contained in the operative Commission decisions. Therefore, SoCalGas does not believe this exercise provides a useful or reliable analysis in the EE context. Notwithstanding, and with those limitations in mind, SoCalGas makes a good faith effort to provide the information in the manner requested.

Any benefit-related A&G items outside of Vacation & Sick and Payroll Taxes are recovered through the GRC.

6. When EE and non-EE activities are supported by the same non-labor resources, how are the costs of those resources or systems allocated to EE and non-EE activities?

**Response:**

For non-labor resources supporting both EE and non-EE, the costs charged to EE program are based on the actual cost incurred associated with the approved scope of work related to the EE program.

7. Identify the EE O&M costs that are most likely to be spread to non-EE functions as well as EE, if any.

**Response:**

EE allowable O&M costs are identified in Energy Efficiency Policy Manual Version 5 and Decision 09-09-047. These identified costs are specific to EE program cost category in nature and therefore, they do not spread to non-EE functions.

## II. BUDGET TABLES INCLUDING INFORMATION IDENTIFIED IN THE SCOPING MEMO

### A. Attachment-A, Question C.8

“Present a single table summarizing energy savings targets, and expenditures by sector (for the six specified sectors). This table should enable / facilitate assessment of relative contributions of the sectors to savings targets, and relative cost-effectiveness.”

- TURN and ORA invite the PAs to propose a common table format for this information. We don’t have anything specific in mind.
- Additionally, include a brief description of the method used by the PA to estimate the costs presented in the C.8 Table.

#### **Response:**

Please see Attachment A, Portfolio Summary tab. SoCalGas’ 2018 budget is flat compared to the 2016 authorized budget based on historical budget performance.

### B. Attachment-A, Question C.9

“Using a common budget template developed in consultation with interested stakeholders (hopefully agreed upon at a “meet and confer” session), display how much of each year’s budget each PA anticipates spending “in-house” (e.g., for administration, non-outsourced direct implementation, other non-incentive costs, marketing), by sector and by cross-cutting program.”

- TURN and ORA invite the PAs to propose a common table format for this information. We don’t have anything specific in mind.
- Additionally, include a brief description of the method used by the PA to estimate the costs presented in the C.9 Table.

#### **Response:**

Please see Attachment A, Residential tab and similar tables for all other sectors: Commercial, Industrial, Agricultural, Public Sector and Cross-cutting. SoCalGas’ 2018 budget is flat compared to the 2016 authorized budget based on historical budget performance.

**C. Attachment-A, Question C.10**

“Present a table akin to PG&E’s Figure 1.9 (Portfolio Overview, p 37) or SDG&E’s Figure 1.10 (p. 23) that not only shows anticipated solicitation schedule of “statewide programs” by calendar year and quarter, but also expected solicitation schedule of local third-party solicitations, by sector, and program area (latter to extent known, and/or by intervention strategy if that is more applicable). For both tables, and for each program entry on the calendar, give an approximate size of budget likely to be available for each solicitation (can be a range).”

- TURN and ORA invite the PAs to propose a common table format for this information. We don’t have anything specific in mind.
- Additionally, include a brief description of the method used by the PA to estimate the costs presented in the C.10 Table.

**Response:**

Please see Attachment C. As described in SoCalGas’ Business Plan, SoCalGas has planned for three phases of open solicitation. This schedule includes budget ranges for solicitations in each phase, based on current budgets for programs in these sectors. Solicitation budgets will be dependent on program designs, and thus, the budget ranges are intended to be illustrative. By the end of 2020, a minimum of 60 percent of SoCalGas’ portfolio will be dedicated to third-party programs.

As noted in the Scoping Memo Attachment A response to Question 14, SoCalGas is providing additional budget details on statewide programs in Attachment D. Attachment D presents fully loaded estimates of budgets for statewide programs. These estimates are inclusive of IOU overhead and reflect total anticipated program costs. Accordingly, these estimates do not reflect the amounts the IOUs intend to award in solicitations for statewide programs.

**III. CONCLUSION**

This completes SoCalGas’ Supplemental Energy Efficiency Business Plan Budget information in response to Scoping Memo Attachment A, Question C.9, and related matters.

# **ATTACHMENT A**

SOUTHERN CALIFORNIA GAS COMPANY  
SUPPLEMENTAL 2018 EE BUDGET INFORMATION  
PORTFOLIO SUMMARY

Sector	2016 EE Portfolio Expenditures (\$Thousands)				2018 EE Portfolio Budget (\$Thousands)				2016 EE Portfolio Savings			2018 EE Portfolio Forecasted Savings		
	Labor	Non-Labor (excl. Incentives)	Incentives	Total	Labor	Non-Labor (excl. Incentives)	Incentives	Total	KWH	KW	MOTHERMS	KWH	KW	MOTHERMS
Residential	9,515	5,376	17,174	32,065	8,101	5,093	16,418	29,612	8,399,331	5,160	3,947,038	3,482,392	2,072	4,733,294
Commercial	5,479	5,583	6,645	17,707	5,548	3,276	4,615	13,439	5,750	5	3,560,919	(76,749)	0	5,128,659
Agricultural	1,019	598	1,358	2,975	1,114	869	1,635	3,618	219,076	-	2,267,010	155,266	-	1,865,885
Industrial	3,485	1,519	2,927	7,931	4,112	2,188	6,072	12,372	(111)	-	4,639,077	(5,376)	-	10,190,109
Public (GP)	1,874	2,017	532	4,423	2,567	3,451	2,359	8,377	62,242	9	875,845	(21,768)	2	2,579,247
Cross Cutting*	3,570	4,176	-	7,746	2,968	5,631	-	8,599	-	-	19,689,893	-	-	12,700,000
<b>Total Sector Budget</b>	<b>24,942</b>	<b>19,269</b>	<b>28,637</b>	<b>72,848</b>	<b>24,410</b>	<b>20,508</b>	<b>31,099</b>	<b>76,017</b>						
EM&V-PA	273	506		779	469	870		1,339						
EM&V-ED		2,482		2,482		2,009		2,009						
OBF - Loan Pool**				-				-						
REN		6,727		6,727		4,337		4,337						
CCA				-				-						
<b>EE Total</b>				<b>82,835</b>				<b>83,702</b>						

\* Cross Cutting Sector includes Codes & Standards, Emerging Technologies, Workforce Education & Training, Financing

\*\* For SDG&E and SCG the loan pool is not part of the authorized EE portfolio budget and is collected and tracked through a separate balancing account



**SOUTHERN CALIFORNIA GAS COMPANY  
SUPPLEMENTAL 2018 EE BUDGET INFORMATION  
FUNCTION DEFINITIONS**

Aggregated Category	Definition	Functional Category	Detailed Definition
Policy, Strategy, and Regulatory Reporting Compliance	Includes policy, strategy, compliance, audits and regulatory support	Planning & Compliance	DSM Goal Planning; lead legislative review/positioning; policy support on reg proceedings; portfolio optimization; end use-market strategy; DSM lead for PRP, DRP, ES; locational targeting; audit support; SOX certifications; developing control plans; developing action plans; continuous monitoring; inspections; program/product QA/QC; decision compliance oversight/tracking; data requests; policies & procedures
		Company Regulatory Support	Case management for EE proceedings
Program management	Includes labor, contracts, admin costs for program design, program implementation, product and channel management for all sectors	Program Management & Delivery	Market Segment & Locational Resource programs; Business Core & Finance Programs; Large Power DR Programs; Non-Res HVAC & Technical Services; Program Integration & Optimization; Residential EE & DR Programs (incl. Res HVAC QI); IQP & Economic Assistance Programs; Mass Market DR Programs; Education & Information Products & Services; Energy Leader Partnerships; Institutional & Federal Partnerships; REN Coordination; Strategic Plan Support; Energy/Water Program Mgt; Service Level Agreement Tracking
		Product Management	Manage end-to-end new products and services (P&S) intake, evaluation, and launch process; develop and facilitate P&S governance teams, coordination of all sub-process owners, stakeholders, and technical resources required to evaluate and launch new products; evaluate and launch new services and OOR opportunities; develop external partnerships & strategic alliances; work with various companies and associations to help advance standards, products, and tech.; work with external experts to help reduce SCE costs to deliver new prog. and products; develop and launch new customer technologies, products, services for residential and business customers; conduct customer pilots of new technologies and programs; lead customer field demonstrations of new technologies and products; align new P&S to savings programs/incentives; develop new programs/incentives in support of savings goals
		Channel Management	
		Contract Management	Budget forecasting, spend tracking, invoice processing, and contract management with vendors and suppliers; Regulatory support for ME&O activities
Engineering Services	Includes engineering, project management, and contracts associated with workpaper development and pre/post sales project technical reviews and design assistance	Custom project support	Management of Emerging Products projects; Customized reviews; LCR/RFO support; Ex ante review management; Technical policy support; Technical assessments; Workpapers; Tool development; End use subject matter expertise
		Deemed workpapers	
		Project management	
Customer Application/Rebate and Incentive Processing	Costs associated with application management and rebate and incentive processing (deemed and custom)	Rebate & Application Processing	
Inspections	Costs associated with project inspections	Inspections	
Portfolio Analytics	Includes analytics support, including internal performance reporting and external reporting	Data analytics	Data development for programs, products and services; Standard and ad hoc data extracts for internal and external clients ; Database management; CPUC, CAISO reporting; Data reconciliation; E3 support ; Compliance filing support; Funding Oversight; ESPI support; Program Results Data & Performance

EM&V	EM&V expenditures	EM&V Studies	Program and product review; manage evaluation studies
		EM&V Forecasting	EE lead for LTPP and IEPR; market potential study; integration w/ procurement planning; CPUC Demand Analysis Working Group
ME&O	Costs associated with utility EE marketing; no statewide; focus on outsourced portion	Marketing	Customer Programs, Products, and Services Marketing; Digital Product Development; Digital Content & Optimization
		Customer insights	Voice of the Customer; Customer satisfaction study measurement and analysis (JD Power, SDS); Customer testing/research
Account Management / Sales	Costs associated with account rep energy efficiency sales functions	Account Management	
IT	IT project specific costs and regular O&M	IT - project specific	Projects and minor enhancements. Includes project management/business integration ("PMO/BID"). Excluded: maintenance (which SCE defines as when something goes down, normal batch processing, verifying interfaces, etc.).
		IT - regular O&M	
Call Center	Costs associated with call center staff fielding EE program questions	Call Center	
Incentives	Costs of rebate and incentive payments to customers	Incentives	

**SOUTHERN CALIFORNIA GAS COMPANY  
SUPPLEMENTAL 2018 EE BUDGET INFORMATION  
PORTFOLIO STAFFING**

Functional Group	2016 EE Portfolio FTE	2018 EE Portfolio FTE
Policy, Strategy, and Regulatory Reporting Compliance	9.14	9.14
Program Management	79.24	79.24
Engineering Services	20.64	20.64
Customer Application/Rebate/Incentive Processing	9.91	9.91
Customer Project Inspections	1.63	1.63
Portfolio Analytics	1.00	1.00
EM&V	1.91	1.91
ME&O	17.39	17.39
Account Management / Sales	35.33	35.33
IT	6.20	6.20
Call Center	3.25	3.25
Total	186	186

Footnotes:

[1] 2016 FTE calculation is based on annual productive hours for Energy Efficiency.

[2] FTE information for 2018 is estimated to stay flat compared against 2016 and 2017 since SCG is not requesting any incremental funding for 2018.

[3] Estimated 2018 FTE information can vary based on the implementation of the solicitation strategy.

**SOUTHERN CALIFORNIA GAS COMPANY  
SUPPLEMENTAL 2018 EE BUDGET INFORMATION  
RESIDENTIAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures (\$)	2018 EE Portfolio Budget (\$) (2)
Residential	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	353	300
		Program Management	6,937,729	5,907,079
		Engineering services	95,742	81,519
		Customer Application/Rebate/Incentive Processing	855,874	728,728
		Customer Project Inspections	140,517	119,642
		Portfolio Analytics	-	-
		ME&O (Local)	1,203,698	1,024,880
		Account Management / Sales	-	-
		IT	154	131
		Call Center	281,033	239,284
	Labor Total		9,515,100	8,101,563
	Non-Labor	Third-Party Implementers Contracts	2,777,282	2,724,145
		Local/Government Partnerships Contracts	-	-
		Other Contracts	-	-
		Policy, Strategy, and Regulatory Reporting Compliance	74,632	68,052
		Program Management	2,386,782	2,176,341
		Engineering services	61,487	56,066
		Customer Application/Rebate/Incentive Processing	-	-
		Customer Project Inspections	-	-
		Portfolio Analytics	-	-
		ME&O (Local)	75,903	69,211
		Account Management / Sales	-	-
		IT	-	-
		Call Center	-	-
		Facilities		
		Incentives--Core Programs		
		Incentives--Third Party Program	17,174,016	16,418,092
	Non-Labor Total		22,550,102	21,511,908
Residential Total			32,065,202	29,613,470
	Other (collected through GRC) (3)	Labor Overheads	770,827	935,461

Notes:

- (1) Labor costs are already loaded with V&S, Payroll Taxes, and Non-Labor.
- (2) Estimated 2018 budget may change based on the implementation of the solicitation strategy.
- (3) The labor P&B costs are collected through GRC.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**SUPPLEMENTAL 2018 EE BUDGET INFORMATION**  
**COMMERCIAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures (\$)	2018 EE Portfolio Budget (\$) (2)
Commercial	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	148,137	150,008
		Program Management	1,611,144	1,631,488
		Engineering services	923,048	934,704
		Customer Application/Rebate/Incentive Processing	109,481	110,864
		Customer Project Inspections	16,515	16,724
		Portfolio Analytics	-	-
		ME&O (Local)	1,063,252	1,076,678
		Account Management / Sales	1,569,762	1,589,584
		IT	4,382	4,437
		Call Center	33,031	33,448
	Labor Total		5,478,753	5,547,935
	Non-Labor	Third-Party Implementers Contracts	3,015,477	794,154
		Local/Government Partnerships Contracts	-	-
		Other Contracts	-	-
		Policy, Strategy, and Regulatory Reporting Compliance	216,399	209,137
		Program Management	2,047,641	1,978,918
		Engineering services	276,148	266,880
		Customer Application/Rebate/Incentive Processing	-	-
		Customer Project Inspections	-	-
		Portfolio Analytics	-	-
		ME&O (Local)	-	-
		Account Management / Sales	27,346	26,428
		IT	-	0
		Call Center	-	0
		Facilities		
		Incentives--Core Programs	6,645,362	4,614,571
		Incentives--Third Party Program		
	Non-Labor Total		12,228,373	7,890,088
Commercial Total			17,707,126	13,438,023
	Other (collected through GRC) (3)	Labor Overheads	958,605	1,382,748

Notes:

- (1) Labor costs are already loaded with V&S, Payroll Taxes, and Non-Labor.
- (2) Estimated 2018 budget may change based on the implementation of the solicitation strategy.
- (3) The labor P&B costs are collected through GRC.

**SOUTHERN CALIFORNIA GAS COMPANY  
SUPPLEMENTAL 2018 EE BUDGET INFORMATION  
INDUSTRIAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures (\$)	2018 EE Portfolio Budget (\$) (2)
Industrial	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	14,651	17,287
		Program Management	679,178	801,349
		Engineering services	714,996	843,610
		Customer Application/Rebate/Incentive Processing	72,137	85,113
		Customer Project Inspections	7,316	8,632
		Portfolio Analytics	-	-
		ME&O (Local)	306,964	362,180
		Account Management / Sales	1,674,469	1,975,673
		IT	755	890
		Call Center	14,632	17,264
	<b>Labor Total</b>		<b>3,485,099</b>	<b>4,111,999</b>
	Non-Labor	Third-Party Implementers Contracts	515,722	427,269
		Local/Government Partnerships Contracts	-	-
		Other Contracts	-	-
		Policy, Strategy, and Regulatory Reporting Compliance	-	0
		Program Management	561,719	986,096
		Engineering services	441,540	775,122
		Customer Application/Rebate/Incentive Processing	-	-
		Customer Project Inspections	-	-
		Portfolio Analytics	-	-
		ME&O (Local)	-	-
		Account Management / Sales		
		IT		
		Call Center		
		Facilities		
		Incentives--Core Programs	2,927,337	6,072,333
		Incentives--Third Party Program		
	<b>Non-Labor Total</b>		<b>4,446,319</b>	<b>8,260,819</b>
<b>Industrial Total</b>			<b>7,931,418</b>	<b>12,372,818</b>
	Other (collected through GRC) (3)	Labor Overheads	746,837	855,032

Notes:

- (1) Labor costs are already loaded with V&S, Payroll Taxes, and Non-Labor.
- (2) Estimated 2018 budget may change based on the implementation of the solicitation strategy.
- (3) The labor P&B costs are collected through GRC.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**SUPPLEMENTAL 2018 EE BUDGET INFORMATION**  
**AGRICULTURAL BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures (\$)	2018 EE Portfolio Budget (\$) (2)
Agricultural	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	63,353	69,280
		Program Management	245,362	268,317
		Engineering services	185,800	203,182
		Customer Application/Rebate/Incentive Processing	-	-
		Customer Project Inspections	-	-
		Portfolio Analytics	-	-
		ME&O (Local)	148,390	162,272
		Account Management / Sales	375,707	410,856
		IT		
		Call Center		
	Labor Total		1,018,612	1,113,908
	Non-Labor	Third-Party Implementers Contracts	-	92,969
		Local/Government Partnerships Contracts	-	-
		Other Contracts	-	-
		Policy, Strategy, and Regulatory Reporting Compliance	-	-
		Program Management	184,901	239,716
		Engineering services	413,455	536,028
		Customer Application/Rebate/Incentive Processing		
		Customer Project Inspections		
		Portfolio Analytics		
		ME&O (Local)		
		Account Management / Sales		
		IT		
		Call Center		
		Facilities		
		Incentives--Core Programs	1,358,156	1,635,304
		Incentives--Third Party Program		
	Non-Labor Total		1,956,512	2,504,017
Agricultural Total			2,975,125	3,617,926
	Other (collected through GRC) (3)	Labor Overheads	223,124	218,485

Notes:

- (1) Labor costs are already loaded with V&S, Payroll Taxes, and Non-Labor.
- (2) Estimated 2018 budget may change based on the implementation of the solicitation strategy.
- (3) The labor P&B costs are collected through GRC.

**SOUTHERN CALIFORNIA GAS COMPANY**  
**SUPPLEMENTAL 2018 EE BUDGET INFORMATION**  
**PUBLIC SECTOR BUDGET DETAIL**

Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures (\$)	2018 EE Portfolio Budget (\$) (2)
Public Sector	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	150,892	206,683
		Program Management	1,599,200	2,190,493
		Engineering services	55,486	76,002
		Customer Application/Rebate/Incentive Processing	-	-
		Customer Project Inspections	-	-
		Portfolio Analytics	-	-
		ME&O (Local)	15,549	21,298
		Account Management / Sales	52,240	71,555
		IT	767	1,050
		Call Center		
	<b>Labor Total</b>		<b>1,874,134</b>	<b>2,567,082</b>
	Non-Labor	Third-Party Implementers Contracts	875,824	1,478,434
		Local/Government Partnerships Contracts	1,141,057	1,972,534
		Other Contracts		
		Policy, Strategy, and Regulatory Reporting Compliance		
		Program Management		
		Engineering services		
		Customer Application/Rebate/Incentive Processing		
		Customer Project Inspections		
		Portfolio Analytics		
		ME&O (Local)		
		Account Management / Sales		
		IT		
		Call Center		
		Facilities		
		Incentives--Core Programs		
		Incentives--Third Party Program	531,781	2,358,893
	<b>Non-Labor Total</b>		<b>2,548,662</b>	<b>5,809,862</b>
<b>Public Sector Total</b>			<b>4,422,796</b>	<b>8,376,944</b>
	Other (collected through GRC) (3)	Labor Overheads	346,157	399,108

Notes:

- (1) Labor costs are already loaded with V&S, Payroll Taxes, and Non-Labor.
- (2) Estimated 2018 budget may change based on the implementation of the solicitation strategy.
- (3) The labor P&B costs are collected through GRC.



**SOUTHERN CALIFORNIA GAS COMPANY**  
**SUPPLEMENTAL 2018 EE BUDGET INFORMATION**  
**CROSS -CUTTING BUDGET DETAIL**

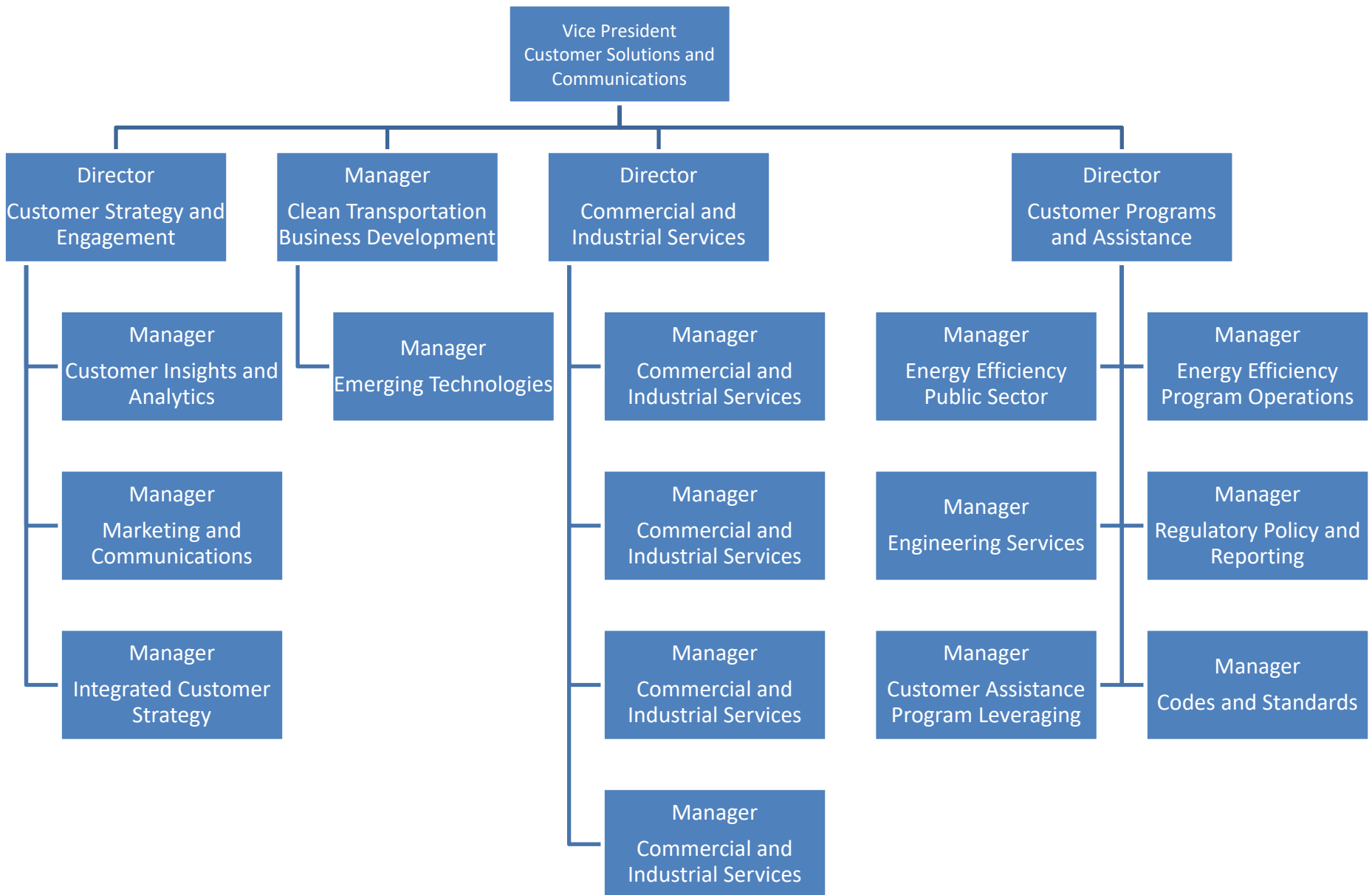
Sector	Cost Element	Functional Group	2016 EE Portfolio Expenditures (\$)	2018 EE Portfolio Budget (\$) (2)
Cross Cutting	Labor(1)	Policy, Strategy, and Regulatory Reporting Compliance	272,253	226,380
		Program Management	1,666,254	1,385,501
		Engineering services	88,245	73,376
		Customer Application/Rebate/Incentive Processing	3,348	2,784
		Customer Project Inspections	-	-
		Portfolio Analytics	-	-
		ME&O (Local)	403,905	335,850
		Account Management / Sales	-	-
		IT	1,135,815	944,437
		Call Center		
	Labor Total		3,569,820	2,968,328
	Non-Labor	Third-Party Implementers Contracts	1,108,219	984,242
		Local/Government Partnerships Contracts	-	-
		Other Contracts	-	-
		Policy, Strategy, and Regulatory Reporting Compliance	-	-
		Program Management	2,703,186	4,094,497
		Engineering services	-	-
		Customer Application/Rebate/Incentive Processing	-	-
		Customer Project Inspections	-	-
		Portfolio Analytics	-	-
		ME&O (Local)	-	-
		Account Management / Sales	-	-
		IT	364,651	552,335
		Call Center		
		Facilities		
		Incentives--Core Programs		
		Incentives--Third Party Program		
	Non-Labor Total		4,176,056	5,631,074
Cross Cutting Total			7,745,876	8,599,403
	Other (collected through GRC) (3)	Labor Overheads	813,267	965,816

Notes:

- (1) Labor costs are already loaded with V&S, Payroll Taxes, and Non-Labor.
- (2) Estimated 2018 budget may change based on the implementation of the solicitation strategy.
- (3) The labor P&B costs are collected through GRC.

# **ATTACHMENT B**

# Departments/Organization Supporting Energy Efficiency Portfolio



# **ATTACHMENT C**

Program Year	2017				2018				2019				2020				
Budget	32%				42%				60%				60%				
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1*	Q2	Q3	Q4	Q1	Q2	Q3	Q4	
Phase 1		Residential			On Boarding												
		Commercial															
		Agriculture															
		Industrial															
		Public															
		Existing Programs															
Phase 2						Res New Construction (SW)			On Boarding								
						Emerging Technologies (SW)											
Phase 3										Foodservice POS (SW)			On Boarding				
										Midstream Water Heating (SW)							
										Residential							
										Commercial							
										Agriculture							
										Industrial							
										Public							
Notes	*Q1 in 2019 is a break period to understand the gaps from Phase 1																
	**All third party solicitations not implemented in phase one will be implemented in phase 3.																

Phase 1 Solicitation Budget: \$25-30 million

Phase 2 Solicitation Budget: \$5-10 million, which is SoCalGas' share of these SW programs. Please see Scoping Memo Attachment A Question 14 response for the total SW program amount.

Phase 3 Solicitation Budget: \$15-20 million

Note: these solicitation budgets are dependent on program designs. A minimum of 60 percent of the portfolio budget will be dedicated to third-party programs by end of 2020.

# **ATTACHMENT D**

Statewide Program*	Proposed Lead	2018 Budget (\$M)**	2019 Budget (\$M)**	2020 Budget (\$M)**
State Government Partnerships	PG&E	\$ 4.74	\$ 4.78	\$ 0.37
Codes and Standards Advocacy	PG&E	\$ 11.95	\$ 12.06	\$ 12.13
WE&T Connections	PG&E	\$ 4.08	\$ 4.09	\$ 4.10
WE&T Career & Workforce Readiness (downstream pilot)	PG&E	\$ 1.67	\$ 1.67	\$ 1.67
Indoor Agriculture (downstream pilot)	PG&E	TBD	TBD	TBD
Emerging Technologies: Electric	SCE	\$ 14.52	\$ 14.75	\$ 14.90
Lighting	SCE	\$ 16.82	\$ 13.35	\$ 13.37
Savings by Design	SCE	\$ 22.89	\$ 23.30	\$ 23.59
Government Institutional Partnerships	SCE	\$ 15.63	\$ 15.47	\$ 15.22
Water/Wastewater Pumping (downstream pilot)	SCE	\$ 5.25	\$ 5.26	\$ 5.28
Residential New Construction	SCG	\$ 13.37	\$ 19.11	\$ 9.41
Emerging Technologies: Gas	SCG	\$ 2.66	\$ 2.69	\$ 2.72
Food Service Point-of-Sale	SCG	\$ 5.42	\$ 5.66	\$ 5.78
Commercial Midstream Water Heaters	SCG	\$ 2.62	\$ 2.69	\$ 2.72
Commercial Upstream HVAC	SDG&E	\$ 30.29	\$ 30.98	\$ 31.44
Residential Upstream HVAC	SDG&E	\$ 1.86	\$ 1.98	\$ 2.06
Residential PLA***	SDG&E	\$ 27.97	\$ 29.47	\$ 23.11
Residential HVAC QI/QM (downstream pilot)	SDG&E	\$ 6.85	\$ 7.32	\$ 7.86

**Notes**

\*Statewide budgets may be adjusted before and after the solicitation process based on portfolio needs and proposals received.

\*\*Estimated statewide budgets reflect fully loaded program costs, not contract amount that will be included in solicitations.

\*\*\*PG&E's contribution does not include the Retail Products Platform (RPP) pilot.