

A.17-01-014
SDG&E 2018-2025 EE Rolling Portfolio Business Plan
TURN Data Request TURN-SDG&E-01 Dated February 24, 2017
Question 6
Submitted: March 20, 2017

Statewide Program Administration

6. The following questions pertain to the “Statewide Administration Approach” proposed jointly by PG&E, SCE, SoCalGas, and SDG&E, which appears as Exhibit 2 to SDG&E’s application.
 - a. On page 2, the Joint IOUs point to the Commission’s desire to prioritize “lower transaction costs for PAs and implementers,” among other anticipated benefits of the new statewide program requirements. Does SDG&E’s Business Plan budget request reflect a projection of lower transaction costs resulting from the proposed “Statewide Administration Approach”? If so, please quantify the cost reductions SDG&E projects and explain where specifically in SDG&E’s budget those reductions are captured in Figure B.2 (Budget by Sector and Cost Category) in Appendix B to SDG&E’s Business Plan, p. 233.
 - b. On page 4, the Joint IOUs indicate that they considered specific factors in the marketplace in determining “natural bundling” of statewide programs, such as whether “different end uses or technologies require different skillsets, a different set of manufacturers, trade organizations, and distributors to engage.” The IOUs report, “This is particularly true in the area of lighting and HVAC where the suppliers and experts in each area are vastly different.”
 - i. Please provide a listing of all manufacturers whose lighting, HVAC, and PLA products are/were included in SDG&E’s 2016 and 2017 portfolios.
 - ii. Please provide all research and analysis used by the Joint IOUs in assessing “natural bundling” opportunities, and specifically supporting the continued segregation of lighting, HVAC, and PLA end uses into distinct statewide programs, and assigning lighting to a different statewide administrator than HVAC and PLA.
 - iii. Despite the Joint IOUs’ proposal to assign PLA and HVAC to SDG&E

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and Lighting to SCE, have SDG&E and SCE discussed the possibility of jointly bidding out implementation of the three programs so as to capture any synergetic opportunities that a common implementer for Lighting and PLA (or Lighting and HVAC) might offer? Please explain the status of any such discussions and indicate whether you expect the forthcoming “bottom-up review” (as described in the PA presentation to CAEECC on 12/7/16 and in the IOUs’ joint response to Question 4 of TURN’s Nov. 9, 2016 Data Request in R.13-11-005) to inform such bidding strategies.

c. On page 4, the Joint IOUs’ mention their consideration of the historic cost effectiveness of each PA in delivering each statewide program. Please clarify what year(s) of data were used by the Joint IOUs in this assessment and whether savings were IOU-reported gross savings or Energy Division’s *ex post* net savings.

SDG&E Response:

6(a):

SDG&E’s commitment was to hold budgets firm for the length of the Business Plan. SDG&E performed a high level top down analysis identifying large items that impacted budget to validate that this was possible. Here is a table from that analysis:

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Year		2,017	2,018	2,019	2,020	2,021	2,022	2,023	2,024	2,025
Total Portfolio Budget		116,456,000	115,892,198	116,142,198	116,417,198	115,517,198	115,487,198	114,957,573	114,965,842	114,949,524
Residential	Residential Platform costs		900,000	900,000	900,000	825,000	825,000	825,000	825,000	825,000
	Platform Efficiencies (Reduced Operational costs)					-300,000	-300,000	-300,000	-300,000	-300,000
	Additional mailing and outreach efforts for Customer Education		50,000	50,000	50,000	50,000	50,000	50,000	50,000	50,000
	Home Energy Management Systems					150,000	157,500	165,375	173,644	182,326
	Incremental data analytics for residential platform		150,000	150,000	150,000	150,000	150,000	150,000	150,000	150,000
	Promote high efficiency multifamily buildings				75,000	50,000	25,000	25,000	25,000	
	Engage realtors to promote energy efficiency				50,000	50,000	50,000	25,000	25,000	25,000
	Incremental direct install services				250,000	250,000	250,000	250,000	250,000	250,000
	Incremental costs for SW PLA implementation		630,000	630,000	630,000	630,000	630,000	630,000	630,000	630,000
	Incremental costs for SW HVAC administration		125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000
	Efficiencies gained - SW lighting		-1,282,802	-1,282,802	-1,282,802	-1,282,802	-1,282,802	-1,282,802	-1,282,802	-1,282,802
	Efficiencies gained - SW California Advanced Homes		-1,400,000	-900,000	-900,000	-900,000	-900,000	-900,000	-1,400,000	-1,400,000
Reduced vendor cost for mail-in survey					-50,000	-75,000	-75,000	-75,000	-75,000	-75,000
Commercial	Platform Initial Costs/Platform Enhancements and Support		1,000,000	1,000,000	1,000,000	400,000	400,000	400,000	400,000	400,000
	Reduced FTE Count and operational costs			-150,000	-150,000	-150,000	-150,000	-150,000	-150,000	-150,000
	Platform Outreach		200,000	100,000	50,000	25,000	12,500			
	Additional Cost to Administer SW HVAC		125,000	125,000	125,000	125,000	125,000	125,000	125,000	125,000

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	Reduced Cost for not Administering SBD		-690,000	-690,000	-690,000	-690,000	-690,000	-690,000	-690,000	-690,000
	Reduced Cost for not Administering IP's									
	Reduced Cost for not Administering Finance		-106,000	-106,000	-106,000	-106,000	-106,000	-106,000	-106,000	-106,000
Public	Outreach		25,000	25,000	25,000	25,000	25,000	25,000	25,000	25,000
	Reduced Cost for not Administering IP's		-290,000	-290,000	-290,000	-290,000	-290,000	-290,000	-290,000	-290,000

6(b):

i:

HVAC manufacturers involved in SDG&E's 2016 and 2017 portfolio include the following:

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- Carrier
- McQuay
- Daiken
- Trane
- Day and Night
- Goodman
- Rheem
- Fujitsu
- Comfortmaker
- York

For the PLA program, customers received rebates for qualifying products from these manufacturers:

Refrigerators

- Bosch
- Electrolux
- Fisher and Paykel
- Frigidaire
- General Electric
- Ikea
- Insignia
- Kenmore
- Kitchen Aid
- LG
- Liebherr
- Maytag
- Miele
- Samsung
- Sub-zero
- Summit
- Thermador
- Viking
- Whirlpool

Washers

- Electrolux
- General Electric
- Kenmore
- LG
- Maytag
- Samsung
- Whirlpool

Electric water heater

- A O Smith
- General Electric
- Rheem
- Stiebel
- Whirlpool

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Gas water heater

- American Water Heaters
- A O Smith
- Bradford White
- Kenmore
- Rheem
- Whirlpool

Pool pump

- Hayward
- Jacuzzi
- Jandy
- Pentair
- Raypak
- Speck Pumps
- STA-RITE
- Viron
- Waterway Plastics
- Zodiac Pool Systems

For the lighting program, manufacturers rebated qualifying lighting products from these manufacturers:

- Cree
- Feit
- Phillips
- Broada
- Greenlite
- Optolight

Vendors who provided discounted lighting or direct installed lighting:

- Techniart
- Synergy
- American Insulation

ii SDG&E does not have specific analysis to determine natural bundling opportunities for lighting, HVAC and PLA. However, as shown above, there is little overlap of manufacturers/midstream/upstream vendors for the various equipment listed in 6(b)i.

iii:

SDG&E is open to exploring potential synergies that a common implementer may potentially offer once the Commission approves statewide program administrator assignments.

6(c) SDG&E did not specifically conduct the cost-effectiveness of each PA in delivering each statewide program.