



# SOUTHERN CALIFORNIA GAS COMPANY ABAL PRESENTATION

Darren Hanway | August 7, 2019



A Sempra Energy utility

# OUR COMMITMENT TO ENERGY EFFICIENCY



### ENERGY EFFICIENCY MEANS SAVINGS FOR CONSUMERS



**\$163 million** in customer bill savings



**\$152 million** in incentives for customers



**\$1,052 million** in avoided energy costs

## A JOURNEY OF SUCCESS

**148+ million\*** therms saved since 2013



THESE ENERGY SAVINGS ARE EQUIVALENT TO:

### ACTIONS THAT COUNT

**24 million**

square feet of insulation received rebates



**878,000+**

customers received showerheads or aerators



**278,000+**

clothes washers & dishwashers rebated



**\$16.5 million**

incentives provided for new construction



**62,500 units**

residential & commercial water heaters received rebates



**444,000+**

low-income households treated with energy-efficient equipment



Enough to power **345,000** homes for one year



**167,000** cars removed from the road

# Our Commitment to Energy Efficiency



## SoCalGas Vision and Strategy

SoCalGas' vision integrates the ideals of innovation, partnership, and customer-centric approaches to influence customers and their energy efficiency decisions.

- ✓ Implementation of the Business Plan
- ✓ Strategic Pillars:
  - Customer-focused solutions
  - Cost-effective program delivery
  - Advance natural gas efficiency

# SoCalGas' 2020 Budget & Cost-effectiveness



## Cost Effectiveness Results

TRC – 1.25

PAC – 1.49

- ✓ Excludes Codes & Standards
- ✓ Excludes ESA program Savings
- ✓ Excludes 5% market effects adjustment
- ✓ Exceeds PY goal from EE goals set by Commission for 2020-2030

### PA PY FORECAST ENERGY SAVINGS

Sector	Program Year (2020) Budget (\$000's)	PA forecast		
		gWh	kW	therms (MM)
Residential	\$37,892	5.32	30.79	8.96
Commercial	\$26,897	0.24	33.09	6.97
Industrial	\$14,764	-	-	5.59
Agriculture	\$2,475	0.17	-	0.96
Emerging Tech	\$1,491	-	-	-
Public	\$9,987	-	-	1.21
WE&T	\$3,657	-	-	-
Finance	\$659	-	-	-
OBF Loan Pool	\$0	-	-	-
<b>IOU Subtotal</b>	<b>\$97,822</b>	<b>5.73</b>	<b>63.88</b>	<b>23.69</b>
<b>ESA Savings</b>		<b>0</b>	<b>0</b>	<b>0</b>
<b>IOU Total Program Savings (w/out C&amp;S)</b>		<b>5.73</b>	<b>63.88</b>	<b>23.69</b>
	<b>CPUC Program Savings Goal</b>	<b>0</b>	<b>0</b>	<b>13</b>
	<b>Forecast savings as % of CPUC Program Savings Goal</b>	<b>N/A</b>	<b>N/A</b>	<b>182%</b>
Codes and Standards	\$1,906	0	0	15
<b>IOU EM&amp;V</b>	<b>\$4,336</b>			
	<b>\$104,064</b>			
<b>(LESS) IOU Uncommitted and Unspent Carryover Balance</b>	<b>\$0</b>			
<b>IOU PY Budget Recovery Request</b>	<b>\$104,064</b>			
<b>IOU Authorized PY Budget Cap (D.18-05-041)</b>	<b>\$104,064</b>			
<b>IOU Forecast PY TRC</b>	<b>1.25</b>			
<b>IOU Forecast PY PAC</b>	<b>1.49</b>			

**\*DRAFT – Values are subject to change**

# Cost-effectiveness Challenges

- ✓ Continued decline of gas commodity prices
- ✓ Uncertainty of new program designs
- ✓ Ramp up / ramp down of existing and new programs
- ✓ Increase in Title 20/24 baselines





# Portfolio Improvements

- ✓ Continued Optimization and Innovation of Programs and Processes
- ✓ Increased Focus on Disadvantaged Communities
- ✓ Expanded Program Partnerships with Municipal and Water Utilities/Agencies
- ✓ Partnering With Other Entities to Offer Innovative Solutions (e.g. AQMD, Los Angeles County, CEC)

# Portfolio Challenges

- Balance cost-effectiveness vs customer needs
- Onboard new programs – local and SW
- Closure of existing programs



# SoCalGas 2020 Transition Plan

- ✓ The following sectors will have new third party programs under the new definition in 2020
  - Single-family Sector
  - Multifamily Sector
  - Small and Medium Commercial Sector
  - Small and Medium Public Sector
- ✓ Contract execution expected in Q1 2020 with Advice Letter approval anticipated in 60-90 days
- ✓ Development and filing of program Implementation Plans within 60-90 days of Advice Letter approval
- ✓ Ramp down of current programs will take place as new third party programs are introduced



# SoCalGas Solicitation Schedule



Year		2019												2020												2021																																			
Quarter		Q1			Q2			Q3			Q4			Q1			Q2			Q3			Q4			Q1																																			
Month		Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Jan	Feb	Mar																					
Local - Residential	Residential Single Family	RFA			RFP Prep						RFP						Negotiation																																												
Local - Residential	Residential Multifamily	RFA			RFP Prep						RFP						Negotiation																																												
Local - Commercial	Small & Medium Commercial			RFA				RFP Prep						RFP						Negotiation																																									
Local - Public	Small & Medium Public			RFA				RFP Prep						RFP						Negotiation																																									
Statewide - Commercial	Point of Sale Food Service							RFA Prep						RFA			RFP Prep			RFP						Negotiation																																			
Statewide - Commercial	Midstream Water Heating							RFA Prep						RFA			RFP Prep			RFP						Negotiation																																			
Statewide - Cross Cutting	Gas Emerging Technologies										RFA Prep						RFA			RFP Prep						RFP						Negotiation																													
Local - Residential	Manufactured Housing (Re-issue RFA)													RFA Prep						RFA			RFP Prep						RFP						Negotiation																										
Local Public	K-12 schools																RFA Prep						RFA			RFP Prep						RFP						Negotiation																							
Local - Commercial	Large Commercial																			RFA Prep						RFA			RFP Prep						RFP						Negotiation																				
Local - Agricultural	Agricultural Sector																			RFA Prep						RFA			RFP Prep						RFP						Negotiation																				
Local - Residential	Whole Building (Re-issue RFA - Tentative)																						RFA Prep						RFA			RFP Prep						RFP						Contract Negotiation																	
Local - Residential	Outreach - Home Efficiency Raters																						RFA Prep						RFA			RFP Prep						RFP						Contract Negotiation																	
Local - Cross Cutting	Outreach - Disadvantaged Communities																									RFA Prep						RFA			RFP Prep						RFP						Negotiation														
Local - Cross Cutting	Behavioral Strategies																												RFA Prep						RFA			RFP Prep						RFP						Negotiation											
Local Public	Local Government Partnerships																																		RFA Prep						RFA			RFP Prep						RFP						Negotiation					
Local - Industrial	Industrial Segment Solutions																																					RFA Prep						RFA			RFP Prep						RFP						Negotiation		



# SoCalGas led Statewide Programs

Statewide Program*	2020 Program Budget (Total for all contributing IOUs)**	2021 Program Budget (Total for all contributing IOUs)**	Expected or Actual Launch Date (MM/YYYY)***	Percent Electric	Combined (Electric & Gas) Proportional Contribution per Load-Share (Target share. Actual funding may be within +/-20%)			
					PG&E	SDG&E	SCE	SCG
ETP, gas	\$ -	\$ 2,250,000	Apr-2021	0%	50.40%	7.80%	0.00%	41.80%
Food Service POS	\$ -	\$ 17,875,000	Feb-2021	40%	48.00%	10.88%	16.04%	25.08%
Midstream Comm Water Heating	\$ -	\$ 10,083,333	Feb-2021	40%	48.00%	10.88%	16.04%	25.08%

Thank You!