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ADVICE LETTER 3599-E/2897-G
(U902 M)

Public Utilities Commission of the State of California

SUBJECT: SAN DIEGO GAS & ELECTRIC COMPANY'S 2021 ANNUAL ENERGY EFFICIENCY PROGRAM AND PORTFOLIO BUDGET REQUEST

San Diego Gas & Electric Company (SDG&E) hereby submits its 2021 annual energy efficiency (EE) program and portfolio budget advice letter (ABAL) as directed by the California Public Utilities Commission (Commission) Decisions (D.) 15-10-028 and D.18-05-041 and the July 3, 2020 *Assigned Commissioner and Administrative Law Judges' Amended Scoping Ruling Addressing Impacts of Covid-19* (Amended Scoping Ruling) Ordering Paragraph (OP) 5, in Rulemaking (R.) 13-11-005. All necessary supporting documentation to support the funding request, revenue requirements, and rate impacts, as prescribed by the Energy Division, is incorporated as Appendix A and has been uploaded to CEDARS.¹

SDG&E makes available Attachments A and B to this ABAL at <https://www.sdge.com/rates-and-regulations/regulatory-filing/914/energy-efficiency-filings>.

BACKGROUND

D.15-10-028 established the Rolling Portfolio process for regularly reviewing and updating EE portfolios following the approval of the Business Plan application. Specifically, D.15.10-028 Ordering Paragraph (OP) 4 states:

Each energy efficiency program administrator must file a Tier 2 advice letter containing a budget for the next calendar year's energy efficiency portfolio by the first business day in September. The Tier 2 advice letter shall contain a portfolio cost effectiveness statement and application summary tables with forecast budgets and savings by sector and program/intervention filed in paper, with an electronic query output available in an online tool. Additionally, the Tier 2 advice letter shall provide a report on portfolio changes, annual spending, and fund shifting.

¹ CEDARS is available at <https://cedars.sound-data.com/>.

SDG&E filed its Business Plan on January 17, 2017 (A.17-01-014), which was approved by the Commission on May 31, 2018. D.18-05-041 provided further detailed guidance on the requirements for the ABAL. D.18-05-041 requires the following:

1. Cost Effectiveness: The forecasted Total Resource Cost (TRC) during the “ramp” or transition years (i.e., 2018 – 2022) should meet or exceed a TRC of 1.00.² If the forecasted TRC does not meet or exceed 1.25, the Program Administrator (PA) must submit to an additional process.³
2. Savings Goals: The portfolio must meet or exceed Commission established savings goals.⁴
3. Proposed Budget: The forecasted annual funding levels must not exceed the overall funding amount in the PA’s 2018-2025 business plan.⁵

In addition to these requirements, D.18-05-041 requires the PA to provide information on the above criteria based on Commission staff developed templates. These templates are provided in Appendix A, as prescribed by Energy Division. Further, the ABAL should include certain program and portfolio descriptive information:⁶

1. Discussion of proposed program changes.
2. Discussion of proposed portfolio changes.
3. Any ABAL that includes a forecasted portfolio TRC between 1.0 and 1.25 during the 2019-2022 ramp years should include:
 - An explanation of why the PA is not proposing a portfolio that meets a 1.25 TRC;
 - Why the PA is confident that it will meet the evaluated 1.0 TRC for that year; and
 - How the PA intends to lower costs or increase savings going forward.
4. Any ABAL that includes forecasted energy savings that are lower than Commission established annual savings goals should include:
 - Discussion or explanation of how the PA will ensure achievement of the overall savings goals, within the overall budget, during the business plan period (i.e., through 2025).

Recently, the Amended Scoping Ruling required several additional factors to be taken into consideration for the filing of the 2021 ABAL. Specific direction was given regarding the following:

This ruling also requires the filing of Annual Budget Advice Letters (ABALs) for program year 2021 on September 1, 2020, utilizing best-available estimates of energy savings,

² D.18-05-041, at 71.

³ *Id.*, at 135-137.

⁴ *Id.*, at 133.

⁵ *Id.*, OP 45 at 192.

⁶ *Id.*, at 128-129.

cost-effectiveness, and program budgets, while acknowledging that program administrators face a significantly changed landscape compared to several months ago.⁷

SDG&E supports the Commission's stated intent that "the 2021 and 2022 ABALs will serve a narrower purpose," which is to notify the Commission and stakeholders of the budget, cost recovery requests, and expenditures that each program administrator forecasts.⁸

As noted in the Amended Scoping Ruling and in SDG&E's ongoing communications with Energy Division staff, the situation remains highly dynamic. All of the research, analysis, tools and experience available for our administration of this portfolio have informed the data and forecasts contained herein. We appreciate the Amended Scoping Ruling's acknowledgement, stating:

...the pandemic has led to an unprecedented reduction in the ability of energy efficiency implementers and contractors to deliver certain types of energy savings projects in the homes and businesses of California electricity and natural gas consumers. In addition, the pandemic and resulting economic impact has resulted in a decline in customer demand for many of the program administrators' equipment rebate programs, causing uncertainty for the administrators and their third-party implementers about energy savings forecasts.⁹

This ABAL reflects SDG&E's efforts to use *best-available estimates* as of the date of this filing taking into consideration the continuing impacts of COVID-19.

PORTFOLIO PROGRAM BUDGETS

SDG&E's approved annual portfolio budget, reflected in Table 1, provides the authorized 2019 Rolling Portfolio budget as approved in D.15-01-023 and confirmed by D.18-05-041. Table 1 also includes the authorized Integrated Demand Side Management (IDSM) Demand Response (DR) budget.

Table 1: Approved Rolling Portfolio Annual EE and DR Program Budgets (\$000)

Category	Electric Demand Response Funds	Electric Energy Efficiency Funds	Natural Gas Public Purpose Funds	Total Energy Efficiency Funds
Programs Funds	\$4,504	\$100,618	\$11,180	\$111,798
EM&V	N/A	\$4,192	\$466	\$4,658
Total	\$4,504	\$104,810	\$11,646	\$116,456

⁷ July 3, 2020, *Assigned Commissioner and Administrative Law Judges' Amended Scoping Ruling Addressing Impacts of Covid-19* (Amended Scoping Ruling), at 1.

⁸ *Id.* at 9.

⁹ *Id.* at 3.

A. 2021 Energy Efficiency Program Budgets

Table 2 shows the 2021 SDG&E business sector budgets.

Table 2: SDG&E 2021 EE Program Budgets by Business Sector

Sector	Program Year (PY) 2021 Budget
Residential	\$ 15,477,686
Commercial	\$ 45,795,410
Industrial	\$ 2,758,978
Agriculture	\$ 1,287,651
Emerging Tech	\$ 1,577,072
Public	\$ 2,911,245
Workforce Education and Training	\$ 4,776,793
Finance	\$ 437,137
OBF Loan Pool	\$ -
Codes & Standards	\$ 3,000,216
Program Subtotal	\$ 78,022,188
IOU EMV	\$ 3,250,925
IOU PY Spending Budget Request	\$ 81,273,113

Below are notes regarding Table 2.

1. SDG&E notes that program funding related to the Financial Pilots originally approved in D.13-09-044 that has not been fully expensed due to implementation delays is considered “committed” funding and will be carried over into 2021. Therefore, these funds are not included in the 2021 EE Portfolio, as directed by D.17-03-026.¹⁰
2. SDG&E's On-Bill Financing (OBF) Loan Pool is not included in the EE Portfolio budget. It is collected and tracked separately through its electric and gas OBF Balancing Accounts.¹¹ SDG&E's authorized budget for its OBF loan pool is of \$26,003,565.¹²

¹⁰ D.17-03-026 at 22 states, “Because these pilot programs pre-date the rolling portfolio process, involve another state agency, and were designed to test out specific approaches to separate financing activities beyond the incentive programs of other program administrators, we prefer at this time to continue to handle the financing pilots under the CHEEF umbrella, as administered by CAEATFA, outside of the rolling portfolio business plan process.”

¹¹ Please refer to SDG&E's Preliminary Statement on its OBFBA at http://regarchive.sdge.com/tm2/pdf/ELEC_ELEC-PRELIM_OBFBA.pdf.

¹² SDG&E's OBF budget is provided in *SDG&E's 2015 Energy Efficiency Program Portfolio Changes Pursuant to the Assigned Commissioner's Ruling and Scoping Memorandum Regarding 2015 Portfolios (Phase 1 of Rulemaking 13-11-005)*, at 36.

B. 2021 Integrated Demand Side Management (IDSM) Programs and Budgets

Table 3 shows the specific programs and budgets associated with the 2021 Demand Response and Energy Efficiency IDSM Program budgets. These strategies are in response to directions provided by D.18-05-041.

Table 3: SDG&E 2021 IDSM Program Budgets

Funding Source	Market Sector	Program	Total Budget
DR	Commercial	IDSM - DR - Commercial ME&O	\$ 250,000
DR	Commercial	IDSM - DR - Commercial	\$ 579,462
DR	Cross-Cutting	IDSM - DR - NonRes Audits	\$ 340,042
DR	Residential	IDSM - DR - Behavioral	\$ 3,334,496
Subtotal DR			\$ 4,504,000
EE	Commercial	IDSM - ME&O - Local Marketing	\$ 676,761
EE	Cross-Cutting	IDSM - HVAC	\$ 500,000
EE	Residential	IDSM - Behavioral	\$ 3,647,758
EE	Commercial	IDSM - Commercial	\$ 2,247,578
Subtotal EE			\$ 7,072,097
Total IDSM (DR + EE)			\$ 11,576,097

SDG&E will work with its selected third party implementers to allocate IDSM budget as applicable IDSM activities are implemented consistent with D.18-05-041, OP 10 which states,

Each IOU PA should set aside a minimum annual amount of \$1 million for the residential sector and a load-share-proportional amount of \$20 million for the commercial sector from each IOU PA's IDSM budget to test and deploy integration strategies, which may test multiple program design and customer incentive approaches, as well as multiple technology types, with emphasis on demand-response-capable control technologies.

SDG&E will make \$1 million and \$4 million available to its third party implementers who make applicable IDSM activities available to its residential and commercial customers, respectively. These IDSM activities will be identified in the final implementation plans.

C. Revenue Requirements

SDG&E provides its estimated 2021 electric and gas proposed average rate changes and revenue requirement changes in Tables 4 and 5, respectively.

Table 4: SDG&E Estimated Electric Rate Impacts

Customer Classes	2021 Proposed Energy Efficiency Electric Annual Revenue Change \$000	2021 Proposed Percentage Change In Electric Revenue and Rates	2021 Electric Average Rate \$/kWh *	2021 Energy Efficiency Portion of Electric Average Rate \$/kWh
System (sum of departed load and bundled customers)				
Residential	\$ (17,753,638)	-1.17%	\$ 0.26861	\$ 0.00309
Commercial - Small	\$ (4,357,325)	-0.81%	\$ 0.24883	\$ 0.00227
Commercial - Medium & Large	\$ (15,978,441)	-1.48%	\$ 0.21949	\$ 0.00199
Streetlights	\$ (32,541)	-0.08%	\$ 0.22080	\$ 0.00048
Agricultural	\$ (431,047)	-0.79%	\$ 0.16845	\$ 0.00153

* Based on 7/1/2020 current effective rates with 2021 EE revenue requirement.

Table 5: SDG&E Estimated Natural Gas Rate Impacts

Customer Classes	2021 Proposed Energy Efficiency Gas Annual Revenue Change \$000	2021 Proposed Percentage Change In Gas Revenue and Rates	2021 Gas Average Rate \$/Therm **	2021 Energy Efficiency Portion of Gas Average Rate \$/Therm
Residential	\$ 916	0.16%	\$ 1.75943	\$ 0.00351
Core Commercial/Industrial	\$ 1,992	1.32%	\$ 0.86453	\$ 0.01402
Non-Core Commercial/Industrial	\$ 479	5.71%	\$ 0.21130	\$ 0.01477

** Based on 8/1/2020 current effective rates with 2021 EE revenue requirement.

The final gas and electric EE revenue requirements will be incorporated in SDG&E's annual Electric and Public Purpose Programs Rates advice letter and the Public Purpose Program Gas Surcharge Rates advice letter, respectively, which will be filed in the last quarter of 2020.

SDG&E PROPOSED PORTFOLIO ENERGY SAVINGS GOALS AND COST EFFECTIVENESS

SDG&E's savings forecast reflects the changes resulting from the 2019 Energy Efficiency Potential and Goals as adopted by D.19-08-034. One of the significant changes that continues to impact 2021 was a result of the adjustment to the lighting baseline for both commercial and residential sectors resulting in a significant reduction in EE electric potential.¹³ This reduction in lighting savings, however, has a positive impact on SDG&E's ability to meet its therm goals as the lighting negative interactive therm effect was significantly reduced.

A major source of SDG&E's portfolio savings forecast is based on the savings forecast provided by SDG&E's third party contracted programs for the Small Commercial, Large Commercial and

¹³ D.19-08-034, *Decision Adopting Energy Efficiency Goals for 2020-2031*, at 4.

Multifamily sectors. With respect to the expected continuing effects from COVID-19 on the market, the third party implementers have assured SDG&E that their program plans will be able to address these COVID-19 impacts so that they can meet their projected savings.

SDG&E will be monitoring both the third party programs and its own programs. SDG&E will implement necessary program adjustments to address the potential impacts of COVID-19 on its portfolio. For more information, please see discussion in the section on 2021 Portfolio and Business Sector Changes below.

SDG&E provides in the following tables its forecasted energy savings goals/targets and portfolio cost effectiveness.

Table 6: 2021 EE Portfolio Energy Savings Goals & Targets

Sector	SDG&E Forecast kWh	SDG&E Forecast kW	SDG&E Forecast Therms
Residential	49,276,949	12,804	2,147,134
Commercial	66,883,895	10,033	2,040,137
Industrial	5,568,314	1,048	529,580
Agriculture	1,756,615	224	28,566
Emerging Tech	-	-	-
Public	5,103,885	607	580,180
Workforce Education and Training	-	-	-
Finance	-	-	-
OBF Loan Pool	-	-	-
IOU Subtotal	128,589,657	24,716	5,325,597
GOAL	90,000,000	17,000	2,200,000
% of GOAL	143%	145%	242%
Codes and Standards	336,579,388	73,068	2,244,932

Note: D.19-08-034 updated the “2020 and beyond” CPUC savings goals.

Table 7: 2021 EE Portfolio Cost Effectiveness

	TRC Ratio	PAC Ratio	RIM Ratio
Without Codes & Standards (C&S)	1.25	1.57	0.53
With Codes & Standards (C&S)	2.14	6.60	0.62

SDG&E's 2021 TRC and Program Administrator Cost (PAC) results reflect the following inputs:

1. 2021 avoided costs and greenhouse gas adder consistent with Resolution E-5077;
2. Excludes Emerging Technology, On-Bill Financing (OBF) revolving loan pool, and credit enhancements;
3. Excludes Market Effects (ME) based on D.19-08-034, which eliminated the 5% spillover for resource programs from the forecast;

4. Uses workpapers that are approved by staff as of July 17, 2020;
5. For developing third party program savings and net benefits assumptions, D.19-08-034 provides direction for forecasting for third party solicitations:

The IOUs shall align these third party program forecasts pending from solicitations as much as possible with the forecasting methods used for custom projects (in terms of measures and measure mix being “unknown” prior to a program year), as they develop PY 2021 third party program savings forecasts.¹⁴

- a. For local third party program forecasts pending from solicitations, SDG&E used the same forecasting methods used for custom projects (in terms of measures and measure mix being “unknown” prior to a program year). SDG&E provided its expected net benefits for proposed programs in the Request for Proposal (RFPs). To achieve the same RFP net benefits in its forecast, SDG&E selected “representative” custom end use measures whose savings would provide the same net benefits. In most cases, a “Whole Building” measure savings provide the expected result. It is important to note that these selections are not necessarily what bidders are expected to propose. Rather, SDG&E expects that after third party programs are selected with their own proposed measures, the resulting portfolio of programs for the market sector will result in the expected net benefits. SDG&E also expects that the selected programs will perform at least the same, if not better, than SDG&E’s current program implementations. This is consistent with the Commission’s expectation that third party programs can bring on more innovative and cost effective programs.
- b. For statewide third party programs, forecasted savings are based on the funding share method approved in the Joint IOUs Supplemental Advice Letter of the Shared Funding Mechanism Proposal submitted on November 15, 2018 and approved via CPUC staff disposition on April 9, 2019.¹⁵ SDG&E’s portfolio, consistent with the other IOUs, includes, at this time Statewide Codes & Standards programs, Statewide New Construction Non-Residential, Statewide New Construction, Residential, Statewide Lighting, Statewide Upstream HVAC, Statewide Plug Load and Appliances (PLA), Statewide Institutional Partners: Department of General Services (DGS) and Department of Corrections (DoC), Statewide WE&T K12 Connections, Midstream Commercial Water Heating, Statewide WE&T Career and Workforce Readiness, Statewide Emerging Technology, Gas, and Statewide Food Service, Point-Of-Sale (POS). The lead IOUs provided SDG&E with its expected share of savings for the programs based on the agreed upon budget contribution. (Please refer to Table 8 of Attachment A.)

6. Includes estimated Energy Savings Performance Incentive payments of \$3.6 million; and
7. Includes indirect labor loaders adopted in SDG&E’s 2019 GRC D.19-09-051.

¹⁴ D.19-08-034, at 30.

¹⁵ San Diego Gas and Electric Company (SDG&E) Advice 3268-E-A/2701-G-A; Southern California Gas Company (SoCal Gas) Advice 5346-G-A; Southern California Edison Company (SCE) Advice 3861-E-A; and Pacific Gas and Electric Company (PG&E) Advice 5373-E-A/4009-G-A).

SDG&E HISTORICAL COST EFFECTIVENESS INFORMATION

D.18-05-041 requires the claimed and evaluated TRC and PAC of each program, and of each sector, for the two most recent years for which data can be provided. D.18-05-041 also requires a showing of forecasted, claimed and evaluated TRC and PAC at the portfolio level, going back to the beginning of the Rolling Portfolio (2016).¹⁶ SDG&E provides this information in Table 8 below. There is no available data for evaluated TRC and PAC for prior years, with the exception of 2017¹⁷. The claimed TRC and PAC for 2016 through 2019 are available on CEDARS.

Table 8: SDG&E Historical Cost Effectiveness Data

SDG&E Energy Efficiency Portfolios						
Program Year	Portfolio Cost Effectiveness (1)					
	Forecast PAC Ratio	Reported PAC Ratio	Evaluated PAC Ratio (2)	Forecast TRC Ratio	Reported TRC Ratio	Evaluated TRC Ratio (2)
2016	1.00	1.25		0.73	0.96	
2017	1.45	2.47	1.31	1.16	1.46	0.97
2018	1.43	2.28		1.09	1.4	
2019	1.97	1.19		1.30	0.99	
2020	1.49	NA		1.26	NA	
2021*	1.57	NA		1.25	NA	

All cost-effectiveness ratios should be for the energy efficiency portfolio. For the purpose of the 2021 ABAL, the TRC and PAC ratios of the EE portfolio are defined pursuant to Decision 12-11-105 (p.99), D.16-08-019 (pp 30-31), and D.18-05-041 (Finding of Fact 19).
* The 2021 forecasted TRC and PAC do not include Codes & Standards benefits.

Below are notes regarding Table 8.

1. SDGE includes its GRC overheads that are required by D.12-11-05 OP 39 in its Forecast and Reported cost effectiveness results. The forecasted cost effectiveness results do not include market effects.
2. Source: CEDARS, only 2017 evaluated results are available. For all other years "Evaluated" values not available.

¹⁶ D.18-05-041, at 124-125.

¹⁷ CPUC Staff referred to CEDARS for the 2017 evaluated TRC/PAC ratios.

2021 Portfolio Budget Caps and Targets

Table 9 provides a summary of SDG&E's compliance with the caps and targets required by D.09-09-047.

Table 9: 2021 EE Portfolio Budget and Budget Caps/Targets

	Budget Category	Expenditures			Cap & Target Performance		
		Non-Third Party Qualifying Costs (including PA costs and old-definition 3P/GP contracts that don't meet the new definition)	Third Party Qualifying Costs ² (including SW)	Total Portfolio	Percent of Budget	Cap %	Target %
1	Administrative Costs						
2	IOU ¹	\$ 5,954,039	n/a	\$ 5,954,039	7.1%	10.0%	
3	Third Party & Partnership ²		\$ 573,288	\$ 573,288	0.7%		10.0%
4	Target Exempt Programs ³	\$ 1,137,093	\$ -	\$ 1,137,093	1.3%		
5	Marketing and Outreach Costs⁴						
6	Marketing & Outreach	\$ 1,008,851	\$ 401,207	\$ 1,410,058	1.7%		6.0%
7	SW Marketing & Outreach ⁵	\$ 3,038,433	n/a	\$ 3,038,433	3.6%		
8	Direct Implementation Costs						
9	Direct Implementation (Incentives and Rebates)	\$ 7,632,095	\$ 26,687,430	\$ 34,319,524	42.2%		
10	Direct Implementation (Non Incentives and Non Rebates)	\$ 14,601,461	\$ 12,035,494	\$ 26,636,955	31.6%		20.0%
11	Direct Implementation Target Exempt Programs ³	\$ 5,764,825	\$ 2,226,406	\$ 7,991,231	9.5%		
12	EM&V Costs (Investor Owned Utilities & Energy Division) ⁶	\$ 894,004	\$ 2,356,921	\$ 3,250,925	4.0%	4.0%	
13	Total⁷	\$ 40,030,801	\$ 44,280,745	\$ 84,311,546			
14	2021 Proposed Budget⁸	\$ 36,992,368	\$ 44,280,745	\$ 81,273,113			
15	Third-Party Implementer Contracts (as defined per D.16-08-019, OP 10) ^{9,10}	\$ 5,142,817	\$ 41,923,825	\$ 47,066,641	51.6%		40.00%

Below are notes regarding Table 9:

1. D.09-09-047 requirement of 10% administrative cost cap applies only to the IOUs.
2. The "third party & Partnership" administrative costs under the "Non-third party Qualifying Costs" column are costs for programs that meet the prior third party definition prior to the transition to the new third party definition in D.18-08-019, OP 10.
3. Target Exempt Programs are Non-Resource Programs which include: Emerging Technologies, Workforce Education & Training, Strategic Energy Resources (SER) program, 3P Placeholder for Public Local Government Partnerships (LGP), and Codes & Standards programs (excluding Building Codes Advocacy, Appliance Standards Advocacy and National Standards Advocacy).

4. Statewide Marketing & Outreach (SW ME&O) is excluded from the Marketing and Outreach cost target calculation per D.13-12-038, at p. 82.
5. Statewide ME&O budgets for October 2019 through 2021 were requested in Advice Letter 4098-G/5544-E and supplements and are pending approval. The amount in Line 7 represents the portion allocated to EE.
6. EM&V costs include both SDGE IOU & Energy Division's EM&V budgets.
7. As directed in the Energy Efficiency Policy Manual Version 6 March 2020, Appendix F, this total includes SW ME&O and is the denominator used to calculate the Admin, Marketing, and Direct Implementation Non-Incentives percentages. There are currently no Regional Energy Network (REN) or Community Choice Aggregators (CCA) EE administrators in SDG&E's territory.
8. SDG&E's 2021 Proposed Budget (line 14) excludes SW ME&O budget.
9. SDG&E's percentage for third party Implementer Contracts uses the 2021 proposed budget as its denominator (line 14). This is consistent with the methodology described in D.18-01-004.¹⁸
10. SDG&E's third party Implementer Contracts (as defined per D.16-08-019, OP 10) includes both SDG&E local and Statewide third-party contracts.

SDG&E will report the status of its budget caps and targets based on actual expenditures in its quarterly reports submitted through the Commission's EESTATS website consistent with the methodology described in Table 9 above and Table 10 in Attachment A.¹⁹

2021 PORTFOLIO AND BUSINESS SECTOR CHANGES

As prescribed by Energy Division, SDG&E attaches Attachment C to this ABAL, which includes program level changes.

SDG&E optimized its EE portfolio to the extent possible to meet the required minimum cost effectiveness criteria and authorized budget level. The following are the general planning principles and portfolio changes:

1. SDG&E's budget request for 2021 continues to be less than the ballpark figure of \$116 million as established by D.18-05-041 for the life of the business plan.²⁰ This is primarily a result of program funding changes made to optimize the portfolio and in response to the changes in the 2019 Potential and Goals Study adopted by D.19-08-034. The 2019 Potential and Goals Study, reduced SDG&E's 2019 onward goals, as a result of major changes in the measure mix, e.g., elimination of lighting.²¹ For more on this change, see Portfolio Planning Process section below.

¹⁸ D.18-01-004 at p. 30, which states, "The December 31 dates in the first column of the table above indicate the date by which each utility is required to have under contract the percentage of the planned budget allocation for the portfolio for the following year. In other words, for the first example, by December 31, 2018, each utility should have at least 25 percent of its 2019 program year budget under contract to third parties for design and delivery of programs,"

¹⁹ See <http://eestats.cpuc.ca.gov/Views/Documents.aspx>.

²⁰ D.18-05-041, at 58.

²¹ D.19-08-034, at 20.

2. SDG&E has transitioned portions of its portfolio from SDG&E implementation to third party implementation. SDG&E is accomplishing this by continuing some SDG&E-implemented programs, consolidating some programs, and/or reducing SDG&E-implemented program budgets with the anticipation of new third party programs that will be operational in 2021.
3. SDG&E filed advice letters for third party contracts for its Small Commercial, Large Commercial and Multifamily programs on August 12, 2020 (SDG&E Advice Letters 3584-E, 3585-E & 3586-E).
4. SDG&E updated the measure savings assumptions based on Database for Energy Efficiency Resources (DEER) 2021 and all applicable deemed measure workpaper dispositions.
5. SDG&E removed certain measures due to low cost effectiveness or changes in Codes & Standards.
6. D.19-08-009 updated the EE three-prong test to encourage the inclusion of EE fuel substitution measures in the EE portfolios.²² SDG&E does not have dedicated fuel substitution programs and does not intend to have specific fuel substitution programs at this time. SDG&E will treat fuel substitution measures consistent with any other measure in its portfolio. For example, for deemed fuel substitution measures that have approved workpapers, these assumptions will be used with the appropriate rebate values assigned. For custom measures, SDG&E is prepared to receive fuel substitution project proposals and review them according to the ex ante review process with the Energy Division. With respect to the third party implemented programs, SDG&E will work with these implementers should they choose to incorporate fuel substitution projects/rebates in their programs. SDG&E will respond accordingly to the third party implementers' program proposals to incorporate these opportunities.

For the remaining third party solicitations, bidders can propose fuel substitution programs since this is an approved "measure" in EE.
7. SDG&E updated incentive levels to address changes, e.g., changes in measure savings, measure costs, etc. SDG&E incorporated Commission guidance regarding determination of incentive levels and Pay for Performance options into the new third party contracts and will continue to incorporate in the solicitation process.²³
8. SDG&E will continue to focus on improving the reporting of measure costs to improve the accuracy of the TRC.
9. SDG&E will continue to investigate transitioning "custom/calculated" measures to "deemed" measures.
10. Two of SDG&E's new third party programs, Large Commercial and Multifamily, will have a component using Normalized Metered Energy Consumption (NMEC) verification methodology.
11. SDG&E will continue its solicitations that began in the last quarter of 2018²⁴ to meet the Commission's requirement that 40 percent of each IOU PA's portfolio must be under

²² D.19-08-009.

²³ D.18-05-041, at 18.

²⁴ Refer to most current solicitation schedule available at <https://www.sdge.com/documents/consolidated-iou-solicitation-timeline>.

contract to a third party, as defined in D.16-08-019,²⁵ by December 31, 2020.²⁶ In its forecast of upcoming third party programs, it is important to note that SDG&E assumes that the programs will be cost effective and will more than likely meet the net benefits thresholds that are identified in the solicitations, thus contributing to the cost effectiveness of SDG&E's portfolio. SDG&E's third party contracts for the multifamily, small and large commercial sectors include key performance indicators and metrics to drive vendor performance to support all portfolio savings goals. This is consistent with the Commission's expectations as stated in D.19-08-034:

At the same time, and as noted in D.18-05-041, the IOUs are in a state of transitioning an increasing proportion of programs to third party implementers, among other changes to their portfolios. While it is yet to be seen whether new implementers or new programs will generate evaluated savings results that are comparable to their corresponding forecasts, we are more inclined at this time to assume that they will.²⁷

Solicitations will continue in 2021 to meet the minimum requirement of 60 percent of the portfolio be outsourced to third party program implementers.

12. SDG&E classifies Independent Evaluator costs as part of the implementation costs. These costs are part of the program design wherein third party proposals for new program design are evaluated. Under the Commission's definition, program design costs are considered direct implementation costs. The EE Policy Manual categorizes the following under direct implementation costs:

- Project management activities (i.e. Planning Scope of Work, working with contractors and customers, setting goals, reviewing goals, reacting to market conditions, and responding to customer inquiries (i.e. calls, emails, letters).
- Program planning, development and design.²⁸

13. For 2021, the potential prolonged impacts of COVID-19 on the economy remain unknown. SDG&E's current 2020 forecast indicates a significant reduction in spend vis-à-vis our 2020 ABAL forecast.²⁹ The following are actions SDG&E has undertaken and/or is considering how to address impacts on the economy and our customers:

- a. Examples of interventions that are currently being employed or under consideration, and may be extended in 2021, include but are not limited to:
 - Increase incentives
 - Implement contractor bonuses
 - Revise OBF terms and conditions to assist customers

²⁵ D. 16-08-019, at OP 10.

²⁶ D.18-05-041, at 92-93.

²⁷ D.19-08-034, at 14.

²⁸ Energy Efficiency Policy Manual Version 6, April 2020, Appendix C: Cost Categories and Related Cap and Targets.

²⁹ SDG&E's 2020 Advice Letter 3429-E-A / 2797-G-A forecast is available at <http://regarchive.sdge.com/tm2/pdf/3429-E-A.pdf>.

- Improve virtual inspections
 - Fund shift to meet customer need and/or support better performing measures and programs
- b. The newly contracted third party implementers (Small Commercial, Large Commercial and Multifamily programs) believe that they are prepared to address the impacts of COVID-19 to meet their program commitments and forecasts. SDG&E will monitor performance and will work with the third party implementers as necessary to assure program performance.

The following discussion provides the major program changes under each of the program sectors.

A. Residential Sector

1. Single Family Subsector

The new third party program for Single Family is targeted to have a contract signed by the 2nd quarter (Q2) of 2021.

Regarding SDG&E's SW-CALS-Energy Advisor-HEES, UAT, with the recent approved workpaper for Home Energy Efficiency Survey (HEES), Universal Audit Tool (UAT) there are now savings that can be attributed to this program. SDG&E will use the current DEER approved workpaper (SWWB002-01).³⁰ As a result of the approved workpaper, SDG&E has made the decision to move this from a Non-Resource Program to a Resource Program. Moving HEES, UAT to a Resource program will add savings to the overall portfolio.

SDG&E will continue its Plug Load and Appliances (PLA) program through Point-of-Sale only. SDG&E will be focusing on the more cost-effective measures in the program. Water heaters and pool pumps will continue to be offered to SDG&E's customers. SDG&E has begun its solicitation for the Statewide PLA program that will replace SDG&E's local PLA programs. SDG&E expects to contract for the new Statewide PLA program by Q4 of 2021.

2. Multifamily Programs

The new Multifamily third party program will be operational in 2021. SDG&E's selected Multifamily third party program is Synergy Company's Residential Zero Net Energy Transformation (RZNET). The RZNET Program was selected after a comprehensive review of its program design and engineering analysis to ensure reasonableness of the contractor's proposal. Additionally, the selection of the RZNET program included a thorough review to ensure this selected program would contribute positively to the overall cost effectiveness and energy savings goals of SDG&E's portfolio.

The RZNET Program, proposes to comprehensively serve SDG&E's Multifamily sector. The general program design is aimed at working directly with property managers to conduct detailed analysis of the property's energy efficiency needs. This analysis will identify EE opportunities for the property with the goal of converting these opportunities to actual measure installations.

³⁰ Available at <http://deeresources.net/workpapers>.

Consultations to understand the process and requirements to be Zero Net Energy will also be provided.

The program is expected to contribute to SDG&E's portfolio savings goals over the life of the contract term. The total program budget of \$14.57 million across 42 months of implementation is within SDG&E's authorized budget approved in D.18-05-041, SDG&E's contract with Synergy Company was executed on June 30, 2020.

In conjunction with the program ramp-up activities for RZNET Program, SDG&E will be conducting ramp-down activities for its existing residential multifamily segment program offerings which include the SDGE3207 SW CALSPREE MFEER program and the SDGE3279 3P RES Comprehensive Manufactured Mobile Home program.³¹

B. Commercial Sector

The new third party Programs for the Small and Large Commercial Subsectors will be operational in 2021.

SDG&E will address Commission direction to incorporate IDSM strategies by making \$4 million available to the third party Implementers who implement IDSM strategies.

1. Small Commercial Program

SDG&E's selected Small Commercial third party program is Willdan Energy Solutions' (Willdan) program, the Small Commercial Program (SCP). The SCP was selected after a comprehensive review of its program design and engineering analysis to ensure reasonableness of the contractor's proposal. Additionally, the selection process included a thorough review to ensure this program would contribute positively to the overall cost effectiveness and energy savings goals of SDG&E's portfolio.

SCP offers customers a single comprehensive program to address all their energy efficiency needs. Willdan's strategy is to combine and leverage savings from direct install and quick payback measures, such as retro-commissioning and operational measures, along with longer payback, high impact measures to deliver financially attractive and targeted measure bundles for individual small commercial buildings in the SDG&E service territory.

The program is expected to contribute to SDG&E's portfolio savings goals over the life of the contract term. The total program budget of \$46.2 million across 45 months of implementation is within SDG&E's authorized budget approved in D.18-05-041. SDG&E's contract with Willdan Energy Solutions (Willdan) was executed on June 30, 2020.³²

2. Comprehensive Energy Management Solutions (CEMS) Program

SDG&E's selected Large Commercial third party program is TRC Solutions, Inc.'s Comprehensive Energy Management Solutions (CEMS) program. The CEMS program was

³¹ For more information on this program, please refer to SDG&E's Advice Letter 3586-E available at <http://regarchive.sdge.com/tm2/pdf/3586-E.pdf>.

³² For more information on this program, please refer to SDG&E's Advice Letter available at <http://regarchive.sdge.com/tm2/pdf/3585-E.pdf>.

selected after a comprehensive review of its program design and engineering analysis to ensure reasonableness of the contractor's proposal. Additionally, the selection process included a thorough review to ensure this selected program would contribute positively to the overall cost effectiveness and energy savings goals of SDG&E's portfolio.

CEMS is a comprehensive program offering customers a single program to address all their energy efficiency needs. The program provides services and incentives to large commercial (>20 kW) electric and gas customers in SDG&E territory utilizing Deemed, Custom, and site-level Normalized Metered Energy Consumption (NMEC) platforms. The program is expected to contribute to SDG&E's portfolio savings goals over the life of the contract term. The total program budget of \$45.68 million across 66 months of implementation is within SDG&E's authorized budget approved in D.18-05-041. SDG&E's contract with TRC Solutions was executed on June 30, 2020.³³

3. Commercial Program Closures

The following commercial programs will be replaced in part by the new third party programs for the small and large commercial sectors, however, they will remain open to serve public sector customers until new third party public sector programs launch in 2022:

- Comprehensive Audit Program (SDGE3217 - SW-COM-Customer Services – Audits NonRes)
- Energy Efficiency Business Incentives Program (SDGE3220 - SW-COM-Calculated Incentives-Calculated)
- Energy Efficiency Business Rebates Program (SDGE3223 - SW-COM-Deemed Incentives-Commercial Rebates)
- Business Energy Solutions Program (SDGE3226 - SW-COM-Direct Install).

In addition, the Facility Assessment Services Program (SDGE4061) will be shutting down entirely at the end of 2020 and be replaced with the new third party programs for the small and large commercial sectors.

C. Industrial Sector

Program offerings for industrial customers will continue as status quo for 2021. Per the solicitation schedule, SDG&E anticipates signing a contract for this market Q2 2022.

D. Agricultural Sector

Program offerings will continue as status quo for 2021 to ensure customers in this sector continue to be served. Per the solicitation schedule, SDG&E anticipates signing a contract for this market Q2 2022.

³³ For more information on this program please refer to SDG&E's Advice Letter 3584-E available at <http://regarchive.sdge.com/tm2/pdf/3584-E.pdf>.

E. Public Sector

Non-resource LGP and some Institutional Partnership (IP) programs will close during 2021. As stated above, Commercial programs SDGE3217, SDGE3220, SDGE3223 and SDGE3226 will remain open to serve the public sector. The resulting savings for the public sector will be recorded under these commercial programs.

SDG&E's third party solicitations for the Public sector will be finalized in 2021 for the Federal and K-12 sectors. Per the solicitation schedule, SDG&E anticipates signing a contract for the Local Government Partnerships solicitation by Q4 2021.

SDG&E will participate in the statewide procurement and deployment of the Energy Atlas/CATALENA with the accompanying budget as directed by D.18-05-041, OP 32. SDG&E has included the Energy Atlas/CATALENA budget in its 3P-IDEEA (Program 3280). This solicitation is administered by Southern California Edison Company.

F. Workforce Education & Training (WE&T)

SDG&E will continue to manage the Integrated Energy Education & Training program components of WE&T, including Technical Upskill and the newly developed Core Energy Education program, through collaboration with local organizations that support different aspects of the program. In addition, minimal staff will continue to support the statewide efforts of Career Connections and Career & Workforce Readiness programs.

The SW Connections program is not anticipated to launch until May 2021. SDG&E will continue its current Career Connections program for 2020 and for the first part of 2021. SDG&E will budget a minimal amount of funding to continue Career Connections for the first half of the year in 2021. Once the statewide program for Connections is ready to launch later in 2021, the local program of Career Connections will close.

G. Financing Programs

1. On-Bill Financing Program (OBF)

OBF is a local program run by SDG&E. In 2021, SDG&E will continue to increase program awareness with third party implementers and make OBF available to qualified program participants. SDG&E will make appropriate program changes to address the needs of customers, particularly if the COVID-19 pandemic persists.

2. Statewide Financing Pilots

Statewide Financing Pilots remain within the 2013-2014 EE program cycle. These pilots are budgeted and tracked accordingly and therefore no 2021 budget allocation for these pilots is required at this time. These pilots will be promoted within SDG&E's portfolio and with new third party implementers, as applicable.

H. Integrated Demand Side Management (IDSM) Programs

SDG&E's IDSM program is funded through the IDSM Demand Response and EE portfolio. SDG&E's approved IDSM DR budget is \$6.294 million. D.18-05-041 requires the following for IDSM EE+DR efforts:³⁴

- For the residential sector, the energy efficiency and demand response integration efforts should be focused, initially, on HVAC technologies and facilitating automatic response to new time-varying rates, possibly involving customer education on the rates and thermostats. Each IOU shall budget a minimum of \$1,000,000 annually from its IDSM budget, to test and deploy such strategies in the residential sector.
- For the non-residential sector, including small commercial customers, the energy efficiency and demand response integration efforts should be focused initially on HVAC and lighting controls. For non-residential customers, the programs must validate that, if IDSM funds are used to facilitate integration of demand response capabilities into energy efficiency efforts already occurring, the customer is enrolled in a demand response program (e.g., dispatchable capacity program or, for bundled customers, an event-based rate or real-time pricing), for at least one year after the installation of the technology at the customer site, and up to 36 months if a large, deemed, or calculated incentive is involved. At least \$20 million annually in IDSM funds shall be divided among the IOU PAs on the basis of load share to test and deploy solutions in non-residential HVAC and lighting controls.
- Ensure participating customers are enrolled in a DR program.

These IDSM requirements will be incorporated within the Residential and Commercial sectors and are included in the third party contracts for 2021. IDSM activities will be identified in the final implementation plans of these programs.

Integrated energy efficiency and demand response outreach and education activities funded by IDSM and supported by SDG&E's local Outreach Teams will continue in 2021 through community events, presentations, workshops, and energy solutions partnerships with local community organizations. In addition to these activities, outreach and education will also be provided in support of the Commission requirements for IDSM.

SDG&E will also continue its IDSM residential behavior program and Nonresidential Audit programs that identify both EE and DR opportunities.

I. SDG&E Status of Statewide Programs

SDG&E will bring on two new Statewide Programs in 2021, for which SDG&E is the lead utility. Statewide Upstream HVAC for Commercial and Residential and Statewide Plug Load and Appliance will both launch in 2021. In addition, SDG&E will continue to implement the current Statewide programs until replacements are launched and existing programs can be closed.

J. 2020 Program Changes

Please see Attachment A, Table 20 regarding program changes.

³⁴ D.18-05-041, at 36-37.

1. 2020 Program Closures

Table 10 summarizes the programs that will close at the end of 2020.

Table 10: 2020 Program Closures

Program Code	Program	Sector	Brief Description of Rationale
SDGE3203	SW-CALS-Plug Load and Appliances-HEER	Residential	This program is currently non-cost effective. It currently runs the Marketplace for SDG&E and this will be shut down at the end of the contract 12/31/2020.
SDGE3207	SW-CALS-MFEER	Residential	With the launch of the new third party program to serve the Multifamily Sector, this program will be closed by the end of 2020.
SDGE3209	SW-CALS - EUC WHRP - Advanced	Residential	This non-resource program will sunset at the end of 2020 with the launch of the new third party program that will be serving the Single Family sector.
SDGE3249	SW C&S - Building Codes & Compliance Advocacy	Codes & Standards	This program will be closed due to the new SW program coming online.
SDGE3250	SW C&S - Appliance Standards Advocacy	Codes & Standards	This program will be closed due to the new SW program coming online
SDGE3271	LInstP-San Diego County Water Authority Partnership	Partnerships	The contract for this program ends 12/31/2020. The program will close in anticipation of the new third party solicitation for the public sector.
SDGE3277	LGP- SEEC Partnership	Partnerships	The contract for this program ends 12/31/2020. The program will close in anticipation of the new third party solicitation for the public sector.
SDGE3279	3P-Res- Comprehensive Manufactured-Mobile Home	Residential	With the new third party program coming online to serve the Multifamily Sector, this program will be closed.
SDGE3282	SW-IDSM-IDSM	Non-Resource	With the new third party programs coming online, this program will sunset and funding will be transferred to the new third party programs.
SDGE4061	Facility Assessment Services	Commercial	Program will close as a result of two new third party programs that will begin servicing the Commercial sector

2. 2021 Program Closures

Program Code	Program	Sector	Brief Description of Rationale
SDGE3270	LInstP-University of San Diego Partnership	Public	This program will close as of 3/31/2021 to allow for program close out.
SDGE3272	LGP – City of Chula Vista Partnership	Public	This program will close as of 3/31/2021 to allow for program close out.
SDGE3273	LGP – City of San Diego Partnership	Public	This program will close as of 3/31/2021 to allow for program close out.
SDGE3274	LGP – County of San Diego Partnership	Public	This program will close as of 3/31/2021 to allow for program close out.
SDGE3275	LGP – Port of San Diego Partnership	Public	This program will close as of 3/31/2021 to allow for program close out.
SDGE3275	LGP – SANDAG Partnership	Public	This program will close as of 3/31/2021 to allow for program close out.
SDGE3278	LGP – Emerging Cities Partnership	Public	This program will close as of 3/31/2021 to allow for program close out.

SOLICITATIONS OUTLOOK FOR 2020-2021

On October 11, 2019, SDG&E requested an extension of time to comply with D.18-05-041's requirement that "[a]ll utility program administrators shall have at least 25 percent of their 2020 program year forecast budges under contract for programs designed and implemented by third parties by no later than December 19, 2019."³⁵ On November 25, 2019, Alice Stebbins, Executive Director of the CPUC, sent a letter to SDG&E, SoCalGas, and PG&E, approving SDG&E's request for an extension of the December 19, 2019 to June 30, 2020, to have contracts signed for its Small Commercial Programs, Large Commercial Programs, and Multifamily Programs. SDG&E has met D.18-05-041's requirement. The respective third party implementers will begin ramping up implementation once the contracts are approved.

Given the guidance laid out in the Amended Scoping Ruling as it relates to the impacts of COVID-19, SDG&E will continue to closely monitor the performance of its portfolio, including those of the third party implementers. SDG&E aims to support the Commission's vision for third party program offerings to be delivered in a viable and cost-effective manner.

Additionally, SDG&E is on track to meet D.18-05-041's requirement that the IOUs must have at least 40 percent of their EE portfolios under contract for programs designed and implemented by third parties by December 31, 2020.

³⁵ D.18-05-041, OP4.

A. SDG&E Local Solicitations

SDG&E has successfully completed the solicitations for the following sectors in 2020:

- Small Commercial Sector
- Large Commercial Sector
- Multifamily Sector

SDG&E and three new implementers have executed the associated contracts for new third party programs in time to meet the June 30, 2020 compliance requirements. An advice letter for each contract and associated program was filed on August 12, 2020, with approval anticipated within 60-90 days of submittal.³⁶ Upon approval of the advice letters, the development and uploading of the Implementation Plans will take place within 60 days thereafter. SDG&E will ramp down its corresponding programs as third party programs begin ramp up which are described below and in the individual advice letters. See Portfolio Planning Process for details on implementation.

SDG&E plans to finalize the following sector solicitations during 2021, with an expected launch date as indicated in the table below:

- Single Family Sector
- K-12 Sector
- Federal Sector

Upon filing and approval of the advice letters, the development and uploading of the implementation plan will take place within 60 days thereafter.

Local Program	Expected or Actual Launch Date
Small Commercial	October 2020
Large Commercial	October 2020
Multifamily	October 2020
Single Family	April 2021
K-12	July 2021
Federal	July 2021

Solicitations for the statewide programs and the other sectors remain on track. The most recent SDG&E solicitation schedule is available on SDG&E's EE third party Solicitation webpage.³⁷

³⁶ SDG&E Advice Letter 3584-E: San Diego Gas & Electric Company's Energy Efficiency (EE) Third-Party Solicitation Advice Letter for Large Commercial Third-Party Contract; SDG&E Advice Letter 3585-E: San Diego Gas & Electric Company's Energy Efficiency (EE) Third-Party Solicitation Advice Letter for Small Commercial Third- Party Contract; and SDG&E Advice Letter 3586-E: San Diego Gas & Electric Company's Energy Efficiency (EE) Third-Party Solicitation Advice Letter for Multifamily Third-Party Contract.

³⁷ Available at <https://www.sdge.com/more-information/doing-business-with-us/energy-efficiency-third-party-solicitations>.

B. Statewide Solicitations

The statewide funding methodology was approved through AL 3268-E-A/2701-G-A. It allows for the utilities to update the statewide budgets for the statewide programs approved in D.18-05-041. The final statewide budgets and funding allocations by utilities are presented in Attachment A. The following statewide programs are expected to be in place for 2021 and SDG&E has included its share of the 2021 forecasted budget in its 2021 budget.

Table 11: Statewide Programs Launching in 2021

Statewide Program	Expected or Actual Launch Date
Upstream HVAC (Comm & Res)	April 2021
Food Service Point-of-Sale	April 2021
Midstream Commercial Water Heating	April 2021
Upstream Lighting	May 2021
Residential New Construction	June 2021
Nonresidential New Construction	June 2021
WE&T Career and Workforce Readiness	July 2021
WE&T K-12 Connections	July 2021
Emerging Technologies – Gas	July 2021
Institutional Partnerships: DGS & DoC	August 2021
Plug Load & Appliance	September 2021

C. Solicitation Transition Plan

1. General Ramp-up Activities for Program Implementation Plan

The Implementation Plan will be drafted by the third party implementer who is responsible for the design and delivery of the program. SDG&E will work with the implementer to ensure that the final implementation plan and overall program design aligns with the scope of work in the implementer's contract. The final implementation plan will be posted on CEDARS no later than 60 days after Commission approval of the third party contract.³⁸

Upon third party AL approval, SDG&E will issue a Notice-to-Proceed (NTP) and initiate ramp-up activities with the implementer. The ramp-up plan will start with a planning meeting to review and approve all tasks and timelines with the third party. Following the initial ramp-up activities, meetings will be scheduled, as necessary, to review and approve all deliverables starting with the program's documentation. The implementer will be required to submit all documentation necessary for the delivery of services to SDG&E, such as:

- Final Implementation Plan
- Program Policy and procedure manual
- Customer application
- Invoice template
- Customer satisfaction survey

³⁸ D.18-05-041 OP 3.

In parallel, SDG&E will do a final review of the following items to ensure that all measures can be accurately reported and that the program complies with the latest Commission requirements:

- Program measure offerings
- Quality Control procedures
- Measurement and Verification plan

SDG&E will also conduct training on its administrative processes, such as data request and release process, and invoicing and reporting systems. These systems will be used to upload data to support all projects and process invoices.

As part of the onboarding process, the implementer will be required to provide a detailed Requirements and Integration Plan and configure its invoice and reporting tools to support SDG&E's requirements. SDG&E will then verify that all applicable systems are configured, tested, and ready to support third party program operations. Lastly, once system setup activities are complete, SDG&E will coordinate with the implementer to finalize the program's marketing materials for distribution and circulation, before providing approval to launch the program.

2. Ramp-Down activities for SDG&E's Existing Programs

In conjunction with the program ramp-up activities, SDG&E will be conducting ramp-down activities for its existing programs that overlap with the new third party programs.

The ramp-down activities begin with SDG&E's program staff conducting a meeting to discuss program close-out requirements, timeline and support needed from all applicable stakeholders. Following the initial meeting, SDG&E's program staff will work with all internal stakeholders to finalize a Shutdown Plan and Schedule and will also work on finalizing all applicable program closure notifications. Once these tasks have been finalized internally, SDG&E's program staff will communicate out to all internal and external stakeholders and will begin to execute the Shutdown Plans for the programs. During this step all shutdown activities will be completed, and program offerings will be stopped.

Once the Shutdown Plan is finalized, close-out activities, such as final inspections and invoicing will occur. A Final Report, summarizing the program's activities and results, will be developed and approved. Upon the completion, SDG&E's program staff will verify that all shutdown activities are completed, inform Supply Management of their completion and conduct a final debrief with all stakeholders to discuss and document Lessons Learned and Best Practices to incorporate into the processes going forward.

3. SDG&E Contract Functions

As part of its contract management, SDG&E will continue general administration functions consistent with Commission-approved administration functions. Administrative costs are necessary to support the third party program. Contract administrative functions consistent with Administrative Overhead costs³⁹ include, but are not limited to, contract administration labor, accounting support, IT services and support, reporting database, regulatory and filing support,

³⁹ Appendix C of Energy Efficiency Policy Manual Version 6, April 2020.

data request responses, quality verification of project installation and other ad-hoc support required to verify contract invoices.

In addition to its administration and oversight functions listed above, SDG&E plans to continue using utility staff personnel to ensure a successful delivery of the third party programs. SDG&E delivery functions and Direct Implementation Costs for the new third party programs include, but are not limited to the following:

- a. Engineering
 - Workpaper review and updates
 - Workpaper development and submittal to ED for approval
 - Measure changes
 - Ex-Ante reviews
 - Data request responses
 - Response to Recommendation activities
 - California Technical Forum (Cal TF) and DEER support
- b. Evaluation, Measurement and Verification (EM&V)
 - Program and project evaluation activities, NMEC evaluations
 - Ex-post reviews, Impact evaluations
- c. System Support
 - System configuration, testing, and maintenance
- d. Marketing
 - Co-branding activities
 - Marketing and communications support
- e. Multifamily Single Point of Contact

For the new Multifamily third party program, SDG&E will continue the Multifamily Single Point of Contact (SPOC) as ordered in D.17-12-009. SDGE's SPOC support for the program delivery functions includes, but are not limited to, the one-stop shop approach for Multifamily property managers, owners and their tenants. SDG&E's current SPOC coordinates all eligible common area and in-unit enrollments across low income and energy efficiency programs creating a seamless and comprehensive whole building approach for the participant. The SPOC holds Multifamily workshops to educate property owners/operators about the availability of program offerings. The SPOC provides technical assistance to property owners from project support through implementation. The SPOC currently works with not only EE eligible multifamily facilities, but includes Energy Savings Assistance (ESA) and Solar On Multifamily Affordable Housing (SOMAH) eligible facilities, as well.

Additionally, the SPOC attends association conferences and events where opportunities exist to network and identify potential property owners/operators for program eligibility. In doing so, SDG&E's Multifamily SPOC approach allows for better visibility and identification of areas for potential refinements within all the different residential Multifamily programs SDG&E offers and thereby works to streamline and align program processes at a holistic level for its Residential Multifamily customers.

SDG&E's SPOC adheres to the following general procedure to identify and work with Multifamily customers:

- (1) The SPOC meets with the property owner or operator and documents general information about the property and the owner in order to perform property evaluation.
- (2) After internal analysis, the SPOC determines potentially eligible programs and provides recommendations for energy efficiency measures for the property.
- (3) Starting with Master Metered Properties, SDG&E's authorized contractor assists the property owners by enrolling the property in Energy Star Portfolio manager for benchmarking purposes, gathering the utility data, and calculating the Energy Use Intensity (EUI).
- (4) If the property owner is interested in participation, the SPOC will connect the property leads to the appropriate programs and resources based on their unique needs, as well as provide enrollment support; the level of technical assistance depends on the property needs and the complexity of project.

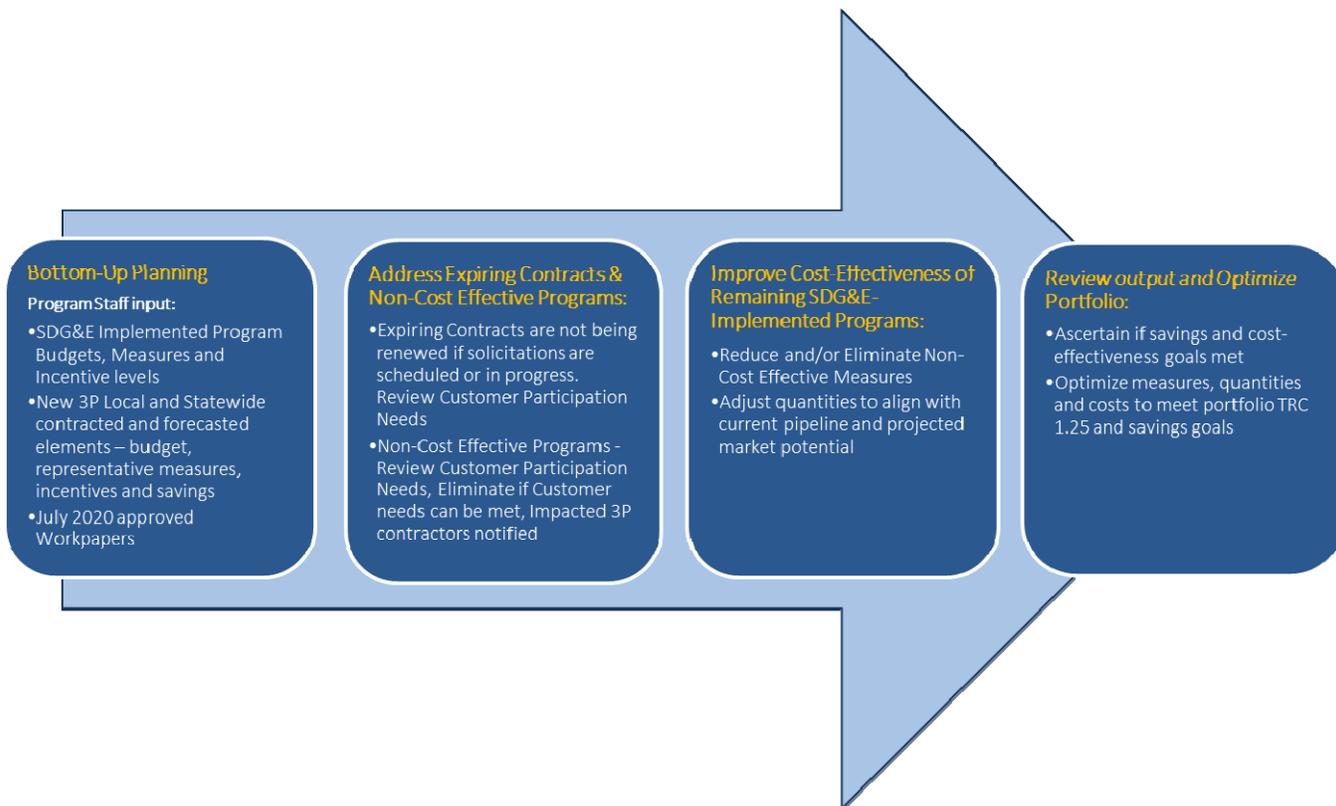
SDG&E's SPOC will coordinate with the Multifamily sector, new third party program. This will allow for low-income customer referrals to the various low-income programs and other relevant programs for the multifamily sector.

Although SDG&E provided a menu of SDG&E Account Executive services that can be used for this solicitation, the three new third party programs have opted not to utilize SDG&E's Account Executives for program support.

PORTFOLIO PLANNING PROCESS

As noted above, SDG&E signed contracts with third party implementers for three of its programs (Small Commercial, Large Commercial, and Multifamily) and filed corresponding advice letters on August 12, 2020 (SDG&E ALs 3584-E, 3585-E & 3586-E). By end of Q4 2020, SDG&E intends to sign at least one other contract with third party implementers to fulfill D.18-05-041's requirement that the IOUs must have at least 40 percent of their EE portfolios under contract for programs designed and implemented by third parties by December 31, 2020.

SDG&E provided the various assumptions it used for its 2021 forecast in the section "2021 PORTFOLIO AND BUSINESS SECTOR CHANGES" above. The following illustration summarizes the various planning steps SDG&E undertook to develop its proposed 2020 portfolio.



A. Major Changes for the 2021 Portfolio

Table 12 below summarizes the major changes to SDG&E’s EE portfolio compared to its 2020 EE portfolio and identifies the impacts of these changes to the portfolio.

Table 12: Major Portfolio Changes

2021 Change	Portfolio Impact (+ or -)	Rationale
New Third-Party Programs	Positive ++	Newly contracted third party local programs set to ramp up in Q4 2020 and third party local and statewide programs in active solicitations phase are expected and budgeted to deliver a large portion of the portfolio net benefits, resulting from innovative program design and consolidation of customer sectors.
Ramp Down of low TRC programs	Positive +	These programs historically had very low TRC's. Although their overall net impact was minimal, their removal is a positive net benefit.

2021 Change	Portfolio Impact (+ or -)	Rationale
Reduction of non-cost effective measures	Positive +	A majority of non-cost effective measures were removed from existing programs.

However, as noted earlier, SDG&E acknowledges that there may be continuing impacts from the COVID-19 pandemic into 2021, which was also identified in the Amended Scoping Ruling. SDG&E will continue to work with the Commission, its contractors, and the new third party program implementers to monitor market conditions and address impacts on program participation. Please refer to discussion in the above section “2021 Portfolio and Business Sector Changes” for more details on SDG&E’s COVID-19 action plan.

2019 METRICS RESULTS

SDG&E submitted its 2019 metric results with its 2019 Energy Efficiency Annual Report in Attachment D, available on EEstats.gov and it can also be found in Table 17 of Attachment A accompanying this AL. For more details, see SDG&E’s updated report on its 2016-2019 metric results at <https://www.sdge.com/rates-and-regulations/regulatory-filing/914/energy-efficiency-filings>.

2021 METRICS CHANGES

SDG&E will include the applicable modifiable and non-modifiable terms and conditions for tracking disadvantaged workers included in D.18-10-008 for its future third party contracts.⁴⁰ Under the terms and conditions, third party implementers are required to report data on participation of disadvantaged workers in their EE programs and participation of disadvantaged workers in training or apprenticeship programs the third party may be partnering with. Additionally, each new program will require an Implementation Plan, as initially adopted in D.15-10-028, which will describe in detail how the program will provide disadvantaged workers with improved access to career opportunities in the energy efficiency industry. The plan will also describe the method that will be used for tracking this population in order to satisfy SDG&E’s metric reporting requirements.

Some SDG&E third party programs will start in 2021, thus, reporting of these indicators will likely begin with the PY 2021 EE Annual Report (to be filed May 1, 2022), following the first full year of third party program implementation.

EM&V BUDGET CHANGES

In D.16-08-019, pages 80-81 note that 27.5% of the budget is allocated to program administrators and that the CPUC "...agree with the staff recommendation to increase the portion of the EM&V budget allocated to the program administrators to a maximum of 40

⁴⁰ D.18-10-008, OP 5.

percent." D.16-08-019 further noted that the increase would only be "...in recognition of the increased emphasis on 1) NMEC and Pay for Performance, and 2) up front planning and market assessment associated with the market transformation and other programmatic emphasis in SB 350 and AB 802."⁴¹ The Decision goes on to say, "Additional budget beyond the current 27.5 percent earmarked for program administrators, and up to the 40 percent cap allowed herein, should be designated only for the additional activities associated with the change in EM&V priorities and activities articulated in this decision."⁴²

Given the language in D.16-08-019, SDG&E has sought clarification on whether the eTRM can trigger an increase in the budget cap in its comments on Draft Resolution E-5082. If the budget cap increases, then the portion currently allocated at 72.5% for the CPUC will decrease. These comments were also sent by SDG&E to request clarity on the issue in the DEER Draft Resolution E-5082.

If eTRM does qualify to increase the 27.5%, SDG&E will account for these enhancements by increasing its allocation by 2.5% to 30.0%.

EFFECTIVE DATE

This filing is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B and D.15-10-028 OP4. SDG&E respectfully requests that this filing become effective on January 1, 2021, which is more than 30 days from the date filed.

In the event that this advice letter is not approved in time for January 1, 2021 implementation, D.15-10-028 OP 5 provides for 2020 program continuation until such time as the advice letter is approved.

PROTEST

Anyone may protest this Advice Letter to the California Public Utilities Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received no later than September 21, 2020 which is 20 days of the date this Advice Letter was filed with the Commission. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

⁴¹ D.16-08-019, at 81.

⁴² *Id.*

Copies of the protest should also be sent via e-mail to the attention of the Energy Division at EDTariffUnit@cpuc.ca.gov. A copy of the protest should also be sent via e-mail to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Gregory Anderson
Regulatory Tariff Manager
E-mail: GAnderson@sdge.com
SDGETariffs@sdge.com

NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties in A.17-01-014 and R.13-11-005, by providing them a copy hereof either electronically or via the U.S. mail, properly stamped and addressed. Address changes should be directed to the emails or facsimile numbers above.

/s/ Clay Faber

CLAY FABER
Director – Regulatory Affairs



ADVICE LETTER SUMMARY

ENERGY UTILITY



MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL:

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:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Service affected and changes proposed¹:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

General Order No. 96-B
ADVICE LETTER SUBMITTAL MAILING LIST

cc: (w/enclosures)

<u>Public Utilities Commission</u>	<u>Clean Energy Renewable Fuels, LLC</u>	<u>NLine Energy</u>
<u>Office of Ratepayer Advocates (ORA)</u>	P. DeVille	M. Swindle
R. Pocta	<u>Clean Power Research</u>	<u>NRG Energy</u>
<u>Energy Division</u>	T. Schmid	D. Fellman
M. Ghadessi	G. Novotny	<u>Pacific Gas & Electric Co.</u>
M. Salinas	<u>Davis Wright Tremaine LLP</u>	M. Lawson
L. Tan	J. Pau	M. Huffman
R. Ciupagea	<u>Douglass & Liddell</u>	Tariff Unit
Tariff Unit	D. Douglass	<u>RTO Advisors</u>
<u>CA Energy Commission</u>	D. Liddell	S. Mara
B. Penning	<u>Ellison Schneider Harris & Donlan LLP</u>	<u>SCD Energy Solutions</u>
B. Helft	E. Janssen	P. Muller
<u>Advantage Energy</u>	C. Kappel	<u>Shute, Mihaly & Weinberger LLP</u>
C. Farrell	<u>Energy Policy Initiatives Center (USD)</u>	O. Armi
<u>Alcantar & Kahl LLP</u>	S. Anders	<u>Solar Turbines</u>
M. Cade	<u>Energy Regulatory Solutions Consultants</u>	C. Frank
K. Harteloo	L. Medina	<u>SPURR</u>
<u>AT&T</u>	<u>Energy Strategies, Inc.</u>	M. Rochman
Regulatory	K. Campbell	<u>Southern California Edison Co.</u>
<u>Barkovich & Yap, Inc.</u>	<u>EQ Research</u>	K. Gansecki
B. Barkovich	General	<u>TerraVerde Renewable Partners LLC</u>
<u>Braun & Blasing, P.C.</u>	<u>Goodin, MacBride, Squeri, & Day LLP</u>	F. Lee
S. Blasing	B. Cragg	<u>TURN</u>
D. Griffiths	J. Squeri	M. Hawiger
<u>CA Dept. of General Services</u>	<u>Green Charge</u>	<u>UCAN</u>
H. Nanjo	K. Lucas	D. Kelly
<u>California Energy Markets</u>	<u>Hanna and Morton LLP</u>	<u>US Dept. of the Navy</u>
General	N. Pedersen	K. Davoodi
<u>California Farm Bureau Federation</u>	<u>JBS Energy</u>	<u>US General Services Administration</u>
K. Mills	J. Nahigian	D. Bogni
<u>California Wind Energy</u>	<u>Keyes & Fox, LLP</u>	<u>Valley Center Municipal Water Distr</u>
N. Rader	B. Elder	G. Broomell
<u>City of Poway</u>	<u>Manatt, Phelps & Phillips LLP</u>	<u>Western Manufactured Housing</u>
Poway City Hall	D. Huard	<u>Communities Association</u>
<u>City of San Diego</u>	R. Keen	S. Dey
L. Azar	<u>McKenna, Long & Aldridge LLP</u>	<u>Interested Parties in:</u>
J. Cha	J. Leslie	A.17-01-014
D. Heard	<u>Morrison & Foerster LLP</u>	R.13-11-005
F. Ortlieb	P. Hanschen	
H. Werner	<u>MRW & Associates LLC</u>	
M. Rahman	General	

Attachment A
San Diego Gas & Electric Company

SDG&E makes available Attachment A to its 2021 annual energy efficiency program and portfolio budget advice letter at <https://www.sdge.com/rates-and-regulations/regulatory-filing/914/energy-efficiency-filings>.

Attachment B
San Diego Gas & Electric Company
Supplemental Budget Narrative

SDG&E makes available Attachment B to its 2021 annual energy efficiency program and portfolio budget advice letter at <https://www.sdge.com/rates-and-regulations/regulatory-filing/914/energy-efficiency-filings>.

Attachment C
San Diego Gas & Electric Company
2021 Program Level Changes

SDG&E makes available Attachment C to its 2021 annual energy efficiency program and portfolio budget advice letter at <https://www.sdge.com/rates-and-regulations/regulatory-filing/914/energy-efficiency-filings>.

SAN DIEGO GAS & ELECTRIC COMPANY
ATTACHMENT C (Page 1)

PA Justification	Third Party Implementer or Core	Statewide or Local	Programs to be Closed with the Disposition of 2021 ABAL	% change	2019 Claimed TRC	2020 (Q1) Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	Year Program Started	For existing third party implemented programs, MM/YY Program was due to sunset prior to PY 2021 ABAL planning and new 3P contracting	For existing third party implemented programs, MM/YY Program is extended to as a result of PY 2021 ABAL planning and timing for new 3P contracts' ramp up
This is a non-resource program. SDG&E's Marketplace was run through this program and that contract is ending on 12/31/2020.	Core	Statewide	SDGE3203 - SW-CALS-Plug Load and Appliances-HEE		0.25	0.00	NA	\$ -	\$ 526,733	2009	12/20	12/20
This program will be replaced by new 3P that is serving this sector.	Core	Statewide	SDGE3207 - SW-CALS-MFEER		0.42	0.22	NA	\$ -	\$ 1,432,395	2009	12/20	12/20
This program will be replaced by new 3P that is serving this sector.	Core	Statewide	SDGE3209 - SW-CALS - EUC WHRP - Advanced		0.00	0.00	NA	\$ -	\$ 772,611	2009	12/20	12/20
This program is replaced by new SW 3P.	Core	Statewide	SDGE3249 - SW C&S - Building Codes & Compliance Advocacy		2.00	0.00	NA	\$ -	\$ -	2009	12/20	12/20
This program is replaced by new SW 3P.	Core	Statewide	SDGE3250 - SW C&S - Appliance Standards Advocacy		0.00	0.00	NA	\$ -	\$ -	2009	12/20	12/20
This programs contract is ending 12/31/2020	Core	Local	SDGE3271 - LinstP-San Diego County Water Authority Partnership		0.00	0.00	NA	\$ -	\$ 454,278	2013	12/20	12/20
This programs contract is ending 12/31/2020	Core	Local	SDGE3277 - LGP- SEEC Partnership		0.00	0.00	NA	\$ -	\$ 165,143	2010	12/20	12/20
This program will be replaced by new 3P that will serve this sector.	Core	Local	SDGE3279 - 3P-Res-Comprehensive Manufactured-Mobile Home		0.70	0.23	NA	\$ -	\$ 983,150	2009	12/20	12/20
This program is will be closed. All IDSM will be available for new 3P programs.	Core	Statewide	SDGE3282 - SW-IDSM-IDSM		0.00	0.00	NA	\$ -	\$ 192,102	2009	12/20	12/20
This program will be replaced by new 3P that will serve this sector.	Core	Local	SDGE4061 - Facility Assessment Services		0.64	0.00	NA	\$ -	\$ 247,239	2018	12/20	12/20

SAN DIEGO GAS & ELECTRIC COMPANY
ATTACHMENT C (Page 2)

PA Justification	Third Party Implementer or Core	Statewide	Programs to be Closed with the Disposition of 2021 ABAL	% change	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	Year program started	For existing third party implemented programs, MM/YY Program was due to sunset prior to PY 2021 ABAL planning and new 3P contracting	For existing third party implemented programs, MM/YY Program is extended to as a result of PY 2021 ABAL planning and timing for new 3P contracts' ramp up
This program will close when all commitments are completed for this program.	Core	Local	SDGE3270 - LInstP-University of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 669,654	2010	12/20	3/21
This program will close when all commitments are completed for this program.	Core	Local	SDGE3272 - LGP- City of Chula Vista Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,811,938	2006	12/20	3/21
This program will close when all commitments are completed for this program.	Core	Local	SDGE3273 - LGP- City of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,728,179	2006	12/20	3/21
This program will close when all commitments are completed for this program.	Core	Local	SDGE3274 - LGP- County of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,160,244	2006	12/20	3/21
This program will close when all commitments are completed for this program.	Core	Local	SDGE3275 - LGP- Port of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 837,143	2010	12/20	3/21
This program will close when all commitments are completed for this program.	Core	Local	SDGE3276 - LGP- SANDAG Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,112,589	2006	12/20	3/21
This program will close when all commitments are completed for this program.	Core	Local	SDGE3278 - LGP- Emerging Cities Partnership	N/A	NA	0.00	\$ 22,052	\$ 269,687	2013	12/20	3/21

SAN DIEGO GAS & ELECTRIC COMPANY
ATTACHMENT C (Page 3)

PA Justification	Third Party Implementer or Core	Statewide	Programs to be Closed with the Disposition of 2021 ABAL	% change	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	Year program started	For existing third party implemented programs, MM/YY Program was due to sunset prior to PY 2021 ABAL planning and new 3P contracting	For existing third party implemented programs, MM/YY Program is extended to as a result of PY 2021 ABAL planning and timing for new 3P contracts' ramp up
Program will transition to new SW 3P next year. In addition Smart Communicating Thermostats will no longer be available in current program.	Core	Statewide	SDGE3204 - SW-CALS-Plug Load and Appliances-POS Rebates	N/A	NA	0.60	\$ 1,518,172	\$ 3,596,260	2009	12/20	9/21
This Commercial program will be open to service only the Public Sector.	Core	Statewide	SDGE3217 - SW-COM-Customer Services- Audits NonRes	N/A	NA	0.00	\$ 106,768	\$ 389,984	2009	5/22	5/22
This Commercial program will be open to service only the Public Sector.	Core	Statewide	SDGE3220 - SW-COM-Calculated Incentives-Calculated	N/A	NA	1.78	\$ 1,971,873	\$ 7,057,569	2009	5/22	5/22
This Commercial program will be open to service only the Public Sector.	Core	Statewide	SDGE3223 - SW-COM-Deemed Incentives-Commercial Rebates	N/A	NA	1.22	\$ 671,912	\$ 6,096,344	2009	5/22	5/22
This programs budget is required to service customer in current pipeline	Core	Statewide	SDGE3226 - SW-COM Direct Install	N/A	NA	1.53	\$ 2,243,210	\$ 5,822,613	2009	5/22	5/22
This programs budget is required to service customer in current pipeline	Core	Statewide	SDGE3231 - SW-IND-Calculated Incentives-Calculated	N/A	NA	3.78	\$ 1,179,103	\$ 2,095,403	2009	9/22	9/22
This programs budget is required to service customer in current pipeline	Core	Statewide	SDGE3237 - SW-AG-Calculated Incentives-Calculated	N/A	NA	2.40	\$ 135,221	\$ 282,915	2009	9/22	9/22
This programs budget is required to service customer in current pipeline	Core	Statewide	SDGE3239 - SW-AG-Deemed Incentives	N/A	NA	1.54	\$ 141,537	\$ 331,783	2009	9/22	9/22
This reduction is due to implementation of new SW 3P programs.	Core	Statewide	SDGE3255 - SW-WE&T-IEET (Int Energy Ed & Training)	N/A	NA	0.00	\$ 371,675	\$ 766,780	2009		
This reduction is due to implementation of new SW 3P programs, including their respective ME&O requirements.	Core	Local	SDGE3260 - Local-IDSM-ME&O-Local Marketing (EE)	N/A	NA	0.00	\$ 626,761	\$ 2,630,210	2013	12/22	12/22
This program will close down when all commitments are completed for this program.	Core	Local	SDGE3270 - LInstP-University of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 669,654	2010	3/21	3/21
This program will close down when all commitments are completed for this program.	Core	Local	SDGE3272 - LGP- City of Chula Vista Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,811,938	2006	3/21	3/21
This program will close down when all commitments are completed for this program.	Core	Local	SDGE3273 - LGP- City of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,728,179	2006	3/21	3/21
This program will close down when all commitments are completed for this program.	Core	Local	SDGE3274 - LGP- County of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,160,244	2006	3/21	3/21
This program will close down when all commitments are completed for this program.	Core	Local	SDGE3275 - LGP- Port of San Diego Partnership	N/A	NA	0.00	\$ 28,226	\$ 837,143	2010	3/21	3/21
This program will close down when all commitments are completed for this program.	Core	Local	SDGE3276 - LGP- SANDAG Partnership	N/A	NA	0.00	\$ 28,226	\$ 1,112,589	2006	3/21	3/21
This program will close down when all commitments are completed for this program.	Core	Local	SDGE3278 - LGP- Emerging Cities Partnership	N/A	NA	0.00	\$ 22,052	\$ 269,687	2013	3/21	3/21

SAN DIEGO GAS & ELECTRIC COMPANY
ATTACHMENT C (Page 4)

PA justification	Third party implementer or Core	Statewide	Programs with enhanced budgets (>40% budget increase)	% change	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	Year program started	For existing third party implemented programs, MM/YY Program was due to sunset prior to PY 2021 ABAL planning and new 3P contracting, or mark "NEW 3P" program if program is result of 3P solicitation process per D1801004	For existing third party implemented programs, MM/YY Program is extended to as a result of PY 2021 ABAL planning and timing for new 3P contracts ramp up, or mark "NEW 3P" program if program is result of 3P solicitation process per D1801004.
This program is reclassified as a Resource program. The increased dollars are for M&V activities to validate the savings. Implementers have indicated an increased interest for audits in the Ag sector.	Core	Statewide	SDGE3201 - SW-CALS-Energy Advisor-HEES, UAT	N/A	NA	0.55	\$ 496,213	\$ 126,649	2009	11/22	11/22
	Core	Statewide	SDGE3236 - SW-AG-Customer Services-Audits	N/A	NA	0.00	\$ 164,729	\$ 108,085	2009	9/22	9/22
Additional funding required for the local C&S programs due to (1) the increased local activities and budgets required to support the SW C&S Advocacy programs administered by PG&E through developing and providing local code compliance trainings, resources and tools; (2) increased reach codes activities from jurisdictions pursuing local climate action plans; and (3) additional planning and coordination needs among internal and external stakeholders.	Core	Statewide	SDGE3251 - SW C&S - Compliance Enhancement	N/A	NA	0.00	\$ 510,522	\$ 364,451	2009		
	Core	Statewide	SDGE3252 - SW C&S - Reach Codes	N/A	NA	0.00	\$ 267,956	\$ 175,174	2009		
Additional funding required for the local C&S programs due to (1) the increased local activities and budgets required to support the SW C&S Advocacy programs administered by PG&E through developing and providing local code compliance trainings, resources and tools; (2) increased reach codes activities from jurisdictions pursuing local climate action plans; and (3) additional planning and coordination needs among internal and external stakeholders.	Core	Statewide	SDGE3253 - SW C&S - Planning Coordination	N/A	NA	0.00	\$ 218,323	\$ 150,593	2009		
	Core	Statewide	SDGE3322 - 3P-Streamlined Ag Efficiency (SAE)	N/A	NA	1.23	\$ 831,800	\$ 272,453	2017	9/22	9/22

PA justification	Third party implementer or Core	Statewide	Programs that are new in 2021	% change	2020 Claimed TRC	2021 Filed TRC	2021 Budget	2020 Budget	MM/YY program to start	MM/YY Program is due to sunset; and flag as "NEW 3P" program if program is result of 3P solicitation process per D1801004	For existing third party implemented programs, MM/YY Program is extended to as a result of PY 2021 ABAL planning and timing for new 3P contracts ramp up, or mark "NEW 3P" program if program is result of 3P solicitation process per D1801004
New Third Party Program	Third Party Implementer	Local	SDGE4001 - Single Family Program		NA	1.13	\$ 1,793,415	\$ -	01/21	NEW 3P	
New Third Party Program	Third Party Implementer	Local	SDGE4002 - Multi Family Program		NA	1.24	\$ 5,345,438	\$ 1,030,368	10/20	NEW 3P	
New Third Party Program	Third Party Implementer	Local	SDGE4003 - Small Commercial (<20KW) Program		NA	1.42	\$ 10,714,191	\$ 3,784,958	10/20	NEW 3P	
New Third Party Program	Third Party Implementer	Local	SDGE4004 - Large Commercial (>20KW) Program		NA	2.02	\$ 16,212,471	\$ 4,801,596	10/20	NEW 3P	
New Third Party Program	Third Party Implementer	Local	SDGE4011 - K-12 Customer Services Program		NA	2.35	\$ 764,849	\$ -	04/21	NEW 3P	
New Third Party Program	Third Party Implementer	Local	SDGE4012 - Federal Customer Services Program		NA	2.26	\$ 1,235,329	\$ -	04/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_FS - SW Foodservice Point of Sale Program		NA	1.30	\$ 989,594	\$ -	04/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_HVAC_Up - SW Upstream HVAC Program		NA	1.14	\$ 2,232,092	\$ -	04/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_IP_Gov_DGS - SW State of CA Partnership		NA	-	\$ 83,404	\$ -	08/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_IP_Gov_Doc - SW CA Department of Corrections Partnership		NA	-	\$ 25,237	\$ -	08/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_MCWH - SW Midstream Commercial Water Heating		NA	2.88	\$ 905,577	\$ -	04/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_NC_NonRes - SW New Construction Non Residential		NA	0.34	\$ 303,304	\$ 247,411	04/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_PLA_Res - SW New Construction Residential		NA	1.15	\$ 778,124	\$ 145,546	04/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_PLA - SW Plug Load and Appliances		NA	0.53	\$ 1,898,566	\$ -	09/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_UL - SW Lighting Program		NA	1.06	\$ 1,314,875	\$ -	05/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_WET_K12 - SW K-12 Connections		NA	-	\$ 106,670	\$ -	05/21	NEW 3P	
New Third Party Program	Third Party Implementer	Statewide	SDGE_SW_WET_Work - SW WE&T Career & Workforce Readiness (CWR)		NA	-	\$ 197,271	\$ -	05/21	NEW 3P	

**San Diego Gas & Electric Company
CEDARS Filing Submission Receipt**

CEDARS FILING SUBMISSION RECEIPT

The SDGE portfolio filing has been submitted and is now under review. A summary of the filing is provided below.

PA: San Diego Gas & Electric (SDGE)

Filing Year: 2021

Submitted: 19:21:09 on 28 Aug 2020

By: Greg Green

Advice Letter Number: 3599-E/2897-G

* Portfolio Filing Summary *

- TRC: 2.1355
- PAC: 6.5977
- TRC (no admin): 2.6731
- PAC (no admin): 17.4245
- RIM: 0.6248
- Budget: \$81,273,112.66

* Programs Included in the Filing *

- SDGE3201: SW-CALS-Energy Advisor-HEES, UAT
- SDGE3204: SW-CALS-Plug Load and Appliances-POS Rebates
- SDGE3217: SW-COM-Customer Services- Audits NonRes
- SDGE3220: SW-COM-Calculated Incentives-Calculated
- SDGE3222: SW-COM-Calculated Incentives-Savings by Design
- SDGE3223: SW-COM-Deemed Incentives-Commercial Rebates
- SDGE3226: SW-COM Direct Install
- SDGE3227: SW-IND-Strategic Energy Management
- SDGE3229: SW-IND-Customer Services-Audits NonRes
- SDGE3231: SW-IND-Calculated Incentives-Calculated
- SDGE3233: SW-IND-Deemed Incentives
- SDGE3236: SW-AG-Customer Services-Audits
- SDGE3237: SW-AG-Calculated Incentives-Calculated
- SDGE3239: SW-AG-Deemed Incentives
- SDGE3246: SW-ET-Technology Introduction Support
- SDGE3247: SW-ET-Technology Assessment Support
- SDGE3248: SW-ET-Technology Deployment Support

- SDGE3251: SW C&S; - Compliance Enhancement
- SDGE3252: SW C&S; - Reach Codes
- SDGE3253: SW C&S; - Planning Coordination
- SDGE3254: Local WE&T-Integrated; Energy Education & Training (IEET)
- SDGE3255: SW-WE&T-Connections;
- SDGE3260: Local-IDSM-ME&O-Local; Marketing (EE)
- SDGE3261: Local-IDSM-ME&O-Behavioral; Programs (EE)
- SDGE3262: SW-FIN-On-Bill Finance
- SDGE3266: LInstP-CA Department of Corrections Partnership
- SDGE3267: LInstP-California Community College Partnership
- SDGE3268: LInstP-UC/CSU/IOU Partnership
- SDGE3269: LInstP-State of California /IOU
- SDGE3270: LInstP-University of San Diego Partnership
- SDGE3272: LGP- City of Chula Vista Partnership
- SDGE3273: LGP- City of San Diego Partnership
- SDGE3274: LGP- County of San Diego Partnership
- SDGE3275: LGP- Port of San Diego Partnership
- SDGE3276: LGP- SANDAG Partnership
- SDGE3278: LGP- Emerging Cities Partnership
- SDGE3280: 3P-IDEA
- SDGE3281: EM&V-Evaluation; Measurement & Verification
- SDGE3282: SW-IDSM-IDSM
- SDGE3317: HOPPs - Building Retro-Commissioning
- SDGE3322: 3P-Streamlined Ag Efficiency (SAE)
- SDGE4001: Single Family Program
- SDGE4002: Multi Family Program
- SDGE4003: Commercial Small Customer Services (<20KW) Program
- SDGE4004: Commercial Large Customer Services (>20KW) Program
- SDGE4011: K-12 Customer Services Program
- SDGE4012: Federal Customer Services Program
- SDGE-ESAP: Energy Savings Assistance Program (ESA)
- SDGE-ESPI: ESPI
- SDGE-GRCL: GRC Labor Loaders
- SDGE_SW_CSA_Appl: SW Codes & Standards Advocacy - State Appliance Standards
- SDGE_SW_CSA_Appl_PA: SW Codes & Standards Advocacy - State Appliance Standards (Utility)
- SDGE_SW_CSA_Bldg: SW Codes & Standards Advocacy - State Building Codes
- SDGE_SW_CSA_Bldg_PA: SW Codes & Standards Advocacy - State Building Codes (Utility)
- SDGE_SW_CSA_Natl: SW Codes & Standards Advocacy - National Codes & Standards Advocacy
- SDGE_SW_CSA_Natl_PA: SW Codes & Standards Advocacy - National Codes & Standards Advocacy (Utility)
- SDGE_SW_ETP_Gas: SW Emerging Technologies - Gas
- SDGE_SW_ETP_Gas_PA: SW Emerging Technologies - Gas (Utility)
- SDGE_SW_FS: SW Foodservice Point of Sale Program

- SDGE_SW_FS_PA: SW Foodservice Point of Sale Program (Utility)
- SDGE_SW_HVAC_Up: SW Upstream HVAC Program
- SDGE_SW_HVAC_Up_PA: SW Upstream HVAC Program (Utility)
- SDGE_SW_IP_Gov_DGS: SW State of CA Partnership
- SDGE_SW_IP_Gov_DGS_PA: SW State of CA Partnership (Utility)
- SDGE_SW_IP_Gov_DoC: SW CA Department of Corrections Partnership
- SDGE_SW_IP_Gov_DoC_PA: SW CA Department of Corrections Partnership (Utility)
- SDGE_SW_MCWH: SW Midstream Commercial Water Heating
- SDGE_SW_MCWH_PA: SW Midstream Commercial Water Heating (Utility)
- SDGE_SW_NC_NonRes: SW New Construction Non Residential
- SDGE_SW_NC_NonRes_PA: SW New Construction Non Residential (Utility)
- SDGE_SW_NC_Res: SW New Construction Residential
- SDGE_SW_NC_Res_PA: SW New Construction Residential (Utility)
- SDGE_SW_PLA: SW Plug Load and Appliances
- SDGE_SW_PLA_PA: SW Plug Load and Appliances (Utility)
- SDGE_SW_UL: SW Lighting Program
- SDGE_SW_UL_PA: SW Lighting Program (Utility)
- SDGE_SW_WET_CC: WET Career Connections
- SDGE_SW_WET_CC_PA: WET Career Connections (Utility)
- SDGE_SW_WET_Work: SW WE&T; Career & Workforce Readiness (CWR)
- SDGE_SW_WET_Work_PA: SW WE&T; Career & Workforce Readiness (CWR) (Utility)