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***DRAFT WORK PRODUCT  
IN PREPARATION FOR THE AUGUST 21, 2018 CAEECC MEETING***

September 4, 2018

Advice No. 5xxx  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Southern California Gas Company Request for Approval of Annual Energy Efficiency Budget Filing for Program Year 2019**

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (Commission) its 2019 Energy Efficiency (EE) Program Portfolio budget. The EE Program Portfolio, along with supporting documentation, is incorporated as Appendix A, which have been uploaded to the California Energy Data and Reporting System (CEDARS) website.<sup>1</sup>

**Purpose**

This Advice Letter is filed in compliance with Ordering Paragraph (OP) 4 of Decision D. 15-10-028,<sup>2</sup> which directs program administrators to file a Tier 2 Advice Letter containing the budget for the next calendar year's EE portfolio by the first business day in September; and with (OP) 41 and 43 of D.18-05-041, which directs PAs to include information identified in D.18-05-041.

**Background**

On October 24, 2014, the Commission issued D.14-10-046, which authorizes funding for EE programs until 2025.<sup>3</sup> On October 22, 2015, the Commission issued D.15-10-028, which approved the EE rolling portfolio mechanics for 2016 and beyond, and explains that annual Advice Letter filings will propose detailed budgets for cost recovery, transfer, and contracting purposes.<sup>4</sup>

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<sup>1</sup> <https://cedars.sound-data.com>

<sup>2</sup> D.15-10-028, p. 123.

<sup>3</sup> D.14-10-046, p. 167.

<sup>4</sup> D.15-10-028, p. 56.

On October 2, 2017, the Commission issued D.17-09-025, which adopted new energy savings goals for ratepayer-funded energy efficiency program portfolios for 2018 and beyond.

On June 5, 2018, the Commission issued D.18-05-041, which approved the 2018 annual budget advice letter of Southern California Gas Company, except for \$1.0 million requested for the Commercial Energy Advisor program, as well as the incremental budget request of \$135.8 million (\$19.4 million annually) for years 2019 through 2025.<sup>5</sup>

D.18-05-041 directed the Program Administrators to, beginning with the annual budget advice letters due on September 4, 2018, provide the following information in the ABAL filings:<sup>6</sup>

- Forecasted TRC must meet or exceed 1.25, except during program years 2019-2022, when the forecasted TRC must meet or exceed 1.0;
- Forecasted energy savings goals must meet or exceed Commission established savings goals for each IOU; and
- Forecasted budget must not exceed the PA's annual budget in the approved business plans, or (if applicable) the revised annual budget in this ABAL.
- Sector-level Metrics
- A description of program and portfolio changes

Additionally, D.18-05-041 directed staff to develop templates and further guidance as needed for the ABAL submissions.<sup>7</sup> On July 19, 2018, Energy Division issued its final ABAL template providing guidance on what shall be submitted in this filing, as follows:

- PA's Program Year Budget and Savings
- Narrative of Program and Portfolio Descriptive Information
  - Proposed program changes
  - Proposed portfolio changes
  - Additional explanations if
    - $1.0 \leq \text{TRC} < 1.25$
    - Energy savings forecast < CPUC established goals
- PA's Budget True-up
- PA's Savings True-up
- IOU allocation for IDSM, pursuant to OP 10.<sup>8</sup>

Energy Division has also directed the PA's to include Appendix A as part of the ABAL filing. Appendix A has been uploaded to the CEDARS website and will be made

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<sup>5</sup> See D.18-05-041 OP 14.

<sup>6</sup> See D.18-05-04 pp. 124-129.

<sup>7</sup> See D.18-05-041 OP 40.

<sup>8</sup> OP 10 does not require SoCalGas to provide information for this item.

available on <http://www.socalgas.com/regulatory/R13-11-005.shtml>. Appendix B of this Advice Letter provides the CEDARS Filing Confirmation which was printed from the confirmation dashboard upon confirmed completion of the filing through CEDARS.

### **SoCalGas' 2019 Energy Efficiency Program Year Budget**

SoCalGas' 2019 program year budget is \$101,961,000. The 2019 funding request does not include the program budget for the SoCalGas Statewide Marketing, Education & Outreach (ME&O) program, nor the 2019 program budget for the Statewide Financing Pilots.<sup>9</sup> The Southern California Regional Energy Network (SoCalREN) and Tri-County Regional Energy Network (3C-REN) are submitting their own Advice Letter to implement programs and associated budgets for PY 2019. Table 1 lists SoCalGas' 2019 budget and the forecasted energy savings, by program area. The SoCalREN and 3C-REN budget shown in Table 1 reflects the funds originally authorized under D.18-05-041.<sup>10</sup>

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<sup>9</sup> The program year 2019 budgets for these programs were approved in D.xxxxx and D.17-03-026, respectively.

<sup>10</sup> D.18-05-041 did not approve a budget for 3C-REN. 3C-REN's PY 2019 budget request is pending approval by the Commission.

**Table 1: SCG 2019 Budget and Savings**

Sector	Program Year 2019 Budget (\$000's)	SOCALGAS PY FORECAST ENERGY SAVINGS (Net)		
		PA forecast GWh	PA forecast MW	PA forecast therms (MM)
Residential	\$45,654	1.73	0.78	11.48
Commercial	\$19,189	0.30	0.01	4.73
Industrial	\$13,498	-	-	4.69
Agriculture	\$4,208	0.30	-	1.58
Emerging Tech	\$1,484	-	-	-
Public	\$8,512	0.004	0.000	1.02
WE&T	\$3,657	-	-	-
Finance	\$659	-	-	-
OBF Loan Pool	\$0	-	-	-
<b>SoCalGas Subtotal</b>	<b>\$96,861</b>	<b>2.32</b>	<b>0.78</b>	<b>23.50</b>
ESA Savings				6.87
<b>SoCalGas Total Program Savings (w/out C&amp;S)</b>		<b>2.32</b>	<b>0.78</b>	<b>30.37</b>
				<b>CPUC Program Savings Goal</b>
				<b>Forecast savings as % of CPUC Program Savings Goal</b>
Codes and Standards	\$847	-	-	26.00
<b>SoCalGas EM&amp;V</b>	<b>\$4,252</b>			
<b>SoCalGas PY Spending Budget Request<sup>1</sup></b>	<b>\$101,960</b>			
<b>(LESS) SoCalGas Uncommitted and Unspent Carryover Balance<sup>2</sup></b>	<b>\$2,647</b>			
<b>SoCalGas PY Budget Recovery Request<sup>3</sup></b>	<b>\$99,313</b>			
<b>SoCalGas Authorized PY Budget Cap (D.18-05-041)</b>	<b>\$101,961</b>			
<b>CCA PY Budget Recovery Request (excl. CCA Uncommitted/Unspent Carryover)<sup>4</sup></b>	<b>\$0</b>			
<b>SoCalREN PY Budget Recovery Request (excl. REN Uncommitted/Unspent Carryover)<sup>4</sup></b>	<b>\$3,473</b>			
<b>3C-REN PY Budget Recovery Request (excl. REN Uncommitted/Unspent Carryover)<sup>4</sup></b>	<b>\$1,196</b>			
<b>Total PA (IOU+CCAs+RENs ) PY Recovery Budget<sup>5</sup></b>	<b>\$103,982</b>			
SoCalGas Forecast PY TRC	1.19			
SoCalGas Forecast PY PAC	1.41			
<b>For reference only</b>				
REN EM&V PY Budget	\$0			
CCA EM&V PY Budget	\$0			
EM&V PY PA Budget total	\$4,252			

<sup>1</sup> This is amount by which Statewide 25% requirement will be measured, and what the IOU intends to spend in the PY, including carryovers.

<sup>2</sup> The balance of unspent uncommitted must reflect the total unspent uncommitted starting Jan 1 2018 through Dec 31 of current year (PY-1). Because each ABAL is filed in Q3, this unspent uncommitted amount will be an estimate for the year in which the ABAL is filed.

<sup>3</sup> The amount of funds to be collected (budget recovery) for the Program Year - Line 19 less line 20

<sup>4</sup> Add a separate row for each REN or CCA

<sup>5</sup> Line 25 is a mix of budget spending and budget recovery for all PAs in the IOU service area

### **SoCalGas 2019 Energy Efficiency Portfolio Savings**

SoCalGas provides its portfolio budget forecast and energy savings forecast for its 2019 EE Portfolio in tables 2 and 3 below:

**Table 2: Annual Rolling Portfolio Budget Forecast – True-Up**

Sector	Annual Rolling Portfolio Budget Forecast - True-up (\$5000's)									Total
	2018 <sup>1</sup>	2019	2020	2021	2022	2023	2024	2025		
Residential	\$ 40,007	\$ 45,654	\$ 46,271	\$ 46,894	\$ 47,527	\$ 48,167	\$ 48,816	\$ 49,473	\$ 372,809	
Commercial	\$ 13,438	\$ 19,189	\$ 20,008	\$ 20,835	\$ 21,669	\$ 22,512	\$ 23,362	\$ 24,222	\$ 165,235	
Industrial	\$ 20,607	\$ 13,498	\$ 13,609	\$ 13,724	\$ 13,842	\$ 13,963	\$ 14,088	\$ 14,217	\$ 117,548	
Agriculture	\$ 3,618	\$ 4,208	\$ 4,268	\$ 4,329	\$ 4,391	\$ 4,455	\$ 4,520	\$ 4,588	\$ 34,377	
Emerging Tech	\$ 1,748	\$ 1,484	\$ 1,517	\$ 1,551	\$ 1,586	\$ 1,621	\$ 1,657	\$ 1,695	\$ 12,859	
Public	\$ 8,377	\$ 8,512	\$ 8,765	\$ 9,020	\$ 9,279	\$ 9,542	\$ 9,809	\$ 10,080	\$ 73,384	
Codes and Standards	\$ 843	\$ 847	\$ 866	\$ 887	\$ 906	\$ 927	\$ 949	\$ 970	\$ 7,195	
WE&T	\$ 3,744	\$ 3,657	\$ 3,750	\$ 3,846	\$ 3,944	\$ 4,045	\$ 4,148	\$ 4,254	\$ 31,388	
Finance	\$ 2,264	\$ 659	\$ 674	\$ 689	\$ 705	\$ 721	\$ 737	\$ 754	\$ 7,203	
OBF Loan Pool									\$ -	
<b>Subtotal<sup>2</sup></b>	<b>\$ 94,646</b>	<b>\$ 97,708</b>	<b>\$ 99,728</b>	<b>\$ 101,775</b>	<b>\$ 103,849</b>	<b>\$ 105,953</b>	<b>\$ 108,086</b>	<b>\$ 110,253</b>	<b>\$ 821,998</b>	
<b>SoCalGas EM&amp;V</b>	<b>\$ 4,166.00</b>	<b>\$ 4,252.00</b>	<b>\$ 4,336.00</b>	<b>\$ 4,421.00</b>	<b>\$ 4,508.00</b>	<b>\$ 4,595.00</b>	<b>\$ 4,684.00</b>	<b>\$ 4,775.00</b>	<b>\$ 35,737.00</b>	
<b>CCA Programs</b>										
<b>REN Programs</b>	<b>\$ 3,257.00</b>	<b>\$ 4,669.00</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 7,926.00</b>	
<b>Total Portfolio Program Year PA Budget</b>	<b>\$ 102,069</b>	<b>\$ 106,629</b>	<b>\$ 104,064</b>	<b>\$ 106,196</b>	<b>\$ 108,357</b>	<b>\$ 110,548</b>	<b>\$ 112,770</b>	<b>\$ 115,028</b>	<b>\$ 865,661</b>	
<b>Total Authorized Portfolio PY Budget Cap</b>	<b>\$ 103,149</b>	<b>\$ 106,298</b>	<b>\$ 108,401</b>	<b>\$ 110,532</b>	<b>\$ 112,693</b>	<b>\$ 114,885</b>	<b>\$ 117,108</b>	<b>\$ 119,365</b>	<b>\$ 892,431</b>	
<b>SoCalGas Portfolio PY Budget Request<sup>4</sup></b>	<b>\$ 98,812</b>	<b>\$ 101,960</b>	<b>\$ 104,064</b>	<b>\$ 106,196</b>	<b>\$ 108,357</b>	<b>\$ 110,548</b>	<b>\$ 112,770</b>	<b>\$ 115,028</b>	<b>\$ 758,923</b>	
<b>SoCalGas Authorized PY Budget Cap<sup>4</sup></b>	<b>\$ 98,813</b>	<b>\$ 101,961</b>	<b>\$ 104,064</b>	<b>\$ 106,195</b>	<b>\$ 108,356</b>	<b>\$ 110,548</b>	<b>\$ 112,771</b>	<b>\$ 115,028</b>		
<b>Forecast Portfolio PY TRC (through 2022)</b>	<b>1.39</b>	<b>1.19</b>	<b>1.21</b>	<b>1.22</b>	<b>1.25</b>	<b>1.25+</b>	<b>1.25+</b>	<b>1.25+</b>		
<b>Forecast Portfolio PY PAC (through 2022)</b>	<b>1.77</b>	<b>1.41</b>	<b>1.50</b>	<b>1.59</b>	<b>1.61</b>	<b>1.25+</b>	<b>1.25+</b>	<b>1.25+</b>		

<sup>1</sup> "Reset" 2018 budget at or below 2018 annual budget approved in Business plan Decision. "True-up" years 2019-2025.

<sup>2</sup> Subtotal equals the denominator by which portfolio 3P bid % will be measured

<sup>3</sup> Sum of all PA budgets in IOU Service Area

<sup>4</sup> IOU only Subtotal (Line 14) + IOU EM&V (Line 15)

**Table 3: Annual Rolling Portfolio Savings Forecast – True-Up (therms)**

Sector	Annual Rolling Portfolio Savings Forecast - True-up (therms) (MM)							
	2018	2019	2020	2021	2022	2023	2024	2025
Residential	9.05	11.48	14.56	16.03	16.13	16.78	16.82	17.31
Commercial	3.30	4.73	5.06	5.40	5.73	6.06	6.40	6.73
Industrial	8.82	4.69	4.70	4.70	4.71	5.70	6.09	6.29
Agriculture	1.32	1.58	1.59	1.60	1.61	1.62	1.63	1.64
Emerging Tech	-	-	-	-	-	-	-	-
Public	-	1.02	1.08	1.14	1.19	1.24	1.30	1.36
WE&T	-	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	-	-
OBF Loan Pool	-	-	-	-	-	-	-	-
<b>IOU - Subtotal</b>	<b>22.48</b>	<b>23.50</b>	<b>26.99</b>	<b>28.86</b>	<b>29.36</b>	<b>31.40</b>	<b>32.23</b>	<b>33.33</b>
<b>ESA Savings</b>	<b>6.54</b>	<b>6.87</b>	<b>6.87</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>	<b>3.00</b>
<b>CCA</b>								
<b>REN</b>								
<b>Total Forecast Portfolio Savings (w/out C&amp;S)</b>	<b>29.02</b>	<b>30.37</b>	<b>33.86</b>	<b>31.86</b>	<b>32.36</b>	<b>34.40</b>	<b>35.23</b>	<b>36.33</b>
<b>CPUC Goal</b>	<b>20.00</b>	<b>22.00</b>	<b>24.00</b>	<b>26.00</b>	<b>26.00</b>	<b>30.00</b>	<b>29.00</b>	<b>29.00</b>
<b>% of Goal</b>	<b>145%</b>	<b>138%</b>	<b>141%</b>	<b>123%</b>	<b>124%</b>	<b>115%</b>	<b>121%</b>	<b>125%</b>
<b>Codes and Standards</b>	<b>26.00</b>	<b>26.00</b>	<b>30.00</b>	<b>34.00</b>	<b>33.00</b>	<b>33.00</b>	<b>33.00</b>	<b>32.00</b>

**SoCalGas' 2019 Portfolio Budget Caps and Target**

Pursuant to OP 13 of D.09-09-047, the Commission determined that administrative costs are limited to 10% of the total authorized energy efficiency budget, and ME&O costs have a budget target of 6% of the adopted portfolio budget. SoCalGas has

calculated its portfolio caps and targets for its 2018 portfolio and included them in Table 5 below.

**Table 5: 2019 EE Portfolio Budget Caps/Targets**

**[INSERT TABLE]**

SoCalGas notes the following assumptions:

- Funding for the SoCalGas On-Bill Financing Program loan pool recovered in gas transportation rates is included, but does not impact the calculations because the adopted level for 2019 is zero.
- Pursuant to D.13-12-038, the Statewide ME&O program costs are excluded from the marketing budget target.
- According to the direction contained in PG&E's AL 3356-G/4176-E, SoCalGas excluded the program costs identified by Energy Division to be exempt from the cap and target calculation.
- D.14-10-046, as corrected by D.15-01-002, confirms the EM&V budget at 4% of the total budget.

SoCalGas will report the status of its budget caps and targets based on actual expenditures in its quarterly reports submitted through the Commission's CEDARS website.

### **SoCalGas PY 2019 Portfolio and Program Changes**

In an effort to help meet the Commission's goals for energy efficiency, SoCalGas is proposing the following portfolio and programmatic changes to its 2019 EE Portfolio. These changes include consideration of the transition to new programs that are proposed, designed and implemented by third-party implementer. Pursuant to D. 18-01-004 Addressing Third Party Solicitation Process for Energy Efficiency Programs ("Solicitation Decision"), SoCalGas' must ensure that its energy efficiency portfolio contains a specific percentage of third party designated and implemented programs by the date provided in the table below.

Table X

<b>Date</b>	<b>Third party percentage minimum</b>
By December 31, 2018	25 percent
By December 31, 2020	40 percent
By December 31, 2022	60 percent

Working towards its goal, SoCalGas plans to conduct a two-stage solicitation process where bidders must first submit a Request for Abstract (RFA). If selected to move forward in the process, bidders will then participate in a full Request for Proposal (RFP). The proposed budget in Table 1 includes \$x million for all 2019 competitively-bid third-party implemented programs.

### ***Expanded and Reduced Programs***

SoCalGas provides the following discussion regarding significant program changes (i.e., more than 40 percent change in funding) that are necessary to better align with programs offered, meet expected energy savings, and target a forecasted TRC of 1.25. Table 2 and 3 provide a list of programs that will be expanded and reduced (by more than 40 percent) in 2019, respectively.

**Table 2: Expanded Program for Program Year 2019**

<b>Program Name</b>	<b>Program Change Description</b>	<b>Budget Impact</b>
Plug Load and Appliances (PLA) Program - SCG3702	In 2019, the PLA program will see an increase in funding by more than 40% based on historical spending in the program. SoCalGas will also rename the program to "Residential Energy Efficiency Program" in order to avoid customer confusion with the new PLA Statewide Program.  For reporting purposes, SoCalGas will split out the retail vendor marketing efforts currently identified in the PLA program into a new program known as Retail Partnering (SCG3830).	
Commercial Non-Residential HVAC Upstream - SCG3712	Funding for the Commercial Non-Residential HVAC Upstream program will increase in 2019 to accommodate [insert description].  The program also contains HVAC Upstream and HVAC Quality Installation and Quality Maintenance efforts. To better align with the statewide program efforts adopted in D.18-05-041, related to HVAC QI/QM.	
Industrial Continuous Energy Improvement (CEI) Program - SCG3714	Funding for the Industrial CEI program will increase in 2019 as SoCalGas expands the scope of the program to incorporate efforts contained under the Commercial CEI and Agricultural CEI. The program will also undergo a name change to "Strategic Energy Management."	

Agricultural Deemed Incentives - SCG3720	In 2019, funding for Agricultural Deemed Incentives will increase to [insert description].	
Community Language Efficiency Outreach (CLEO) - SCG3762	The budget for SoCalGas' CLEO program will increase by more than 40% in 2019 to support expansion of the programs' scope which is being to include measure installations.	
IDEEA365 - Instant Rebates! Point of Sale (POS) - SCG3793	In an effort to align with D.18-05-041 direction identifying Foodservice POS as a statewide program, SoCalGas will increase funding for the POS program in 2019.	
Assembly Bills (AB) 793 Residential Energy Management Technology Solution (REMTS) Program - SCG3810	In 2019, funding for the REMTS program will increase by more than 40% to support the program's implementation in 2019.	

**Table 3: Reduced Programs for Program Year 2019**

<b>Program Name</b>	<b>Program Change Description</b>	<b>Budget Impact</b>
Plug Load and Appliance (PLA) - Point of Sale (POS) - SCG3703	Funding for the PLA POS program will decrease in 2019 to better align with the implementation of SoCalGas' business plan and [insert description].	
Home Upgrade Program (HUP) - SCG3705	In 2019, SoCalGas will reduce the budget for the HUP by more than 40% due to the program's continued lack of meeting its expected cost-effectiveness, and revisions made to the scope of the program to remove the Middle Income Direct Install (MIDI) program efforts. In 2019, the MIDI program will become its own standalone program and be known as the Residential Direct Install program (SCG3820). This change will help better align SoCalGas' residential sector objectives.	



Residential Heating, Ventilation, and Air Conditioning (HVAC) Upstream - SCG3706	Funding for the Residential HVAC Upstream program will be reduced in 2019 as SoCalGas revises the scope of the program. The current program contains HVAC Upstream and HVAC Quality Installation and Quality Maintenance (QI/QM) efforts which will become standalone programs in 2019 to better align with the statewide efforts related to HVAC upstream and HVAC QI/QM.	
Commercial Calculated Incentives - SCG3710	Funding for the Commercial Calculated Incentives program will be reduced as SoCalGas revises the scope of the program. Currently, the program contains the sub-program Savings by Design (SBD). In 2019, SBD will become a standalone program to better align with D.18-05-041 which identified SBD as a statewide program.	
Commercial Deemed Incentives - SCG3711	To better align with the implementation of SoCalGas' business plan, the scope of SoCalGas' Commercial Deemed Incentives program will be revised to remove all efforts directed to the public sector and midstream water heating. As such, funding for this program will be reduced by more than 40%. In 2019, SoCalGas plans to incorporate all public-related activities into a Deemed Program focused on the public sector. The program's current midstream water heating efforts will be incorporated into a new standalone program.	
Commercial Non-Residential HVAC Upstream - SCG3712	Funding for the Commercial HVAC Upstream program will be reduced in 2019 as SoCalGas revises the scope of the program. The current program contains HVAC Upstream and HVAC Quality Installation and Quality Maintenance (QI/QM) efforts which will become standalone programs in 2019 to better align with the statewide efforts related to HVAC upstream and HVAC QI/QM.	
Industrial Calculated Incentives - SCG3715	To better align with the implementation of SoCalGas business plan, the scope of the Industrial Calculated Incentives program will be revised to focus on [insert description].	
Industrial Deemed Incentives - SCG3716	To better align with the implementation of SoCalGas business plan, the scope of the Industrial Calculated Incentives program will be revised to focus on [insert description].	

Agricultural Calculated Incentives - SCG3719	To better align with the implementation of SoCalGas business plan, the scope of the Industrial Calculated Incentives program will be revised to focus on [insert description].	
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### ***Closed Programs***

As part of SoCalGas' portfolio, SoCalGas plans to close the following non-resource programs in 2019, shown in Table 3. These programs have been in the market for two to three years without any significant market penetration. Given the dynamic changes in EE and the lack of market acceptance within each of the programs respective sub segment, these programs are no longer viable.

**Table 3: Program Closures for Program Year 2019**

Program Number	Program Name	Reason for Closure
SCG3704	RES-Multifamily Energy Efficiency Program	SoCalGas will be consolidating all its rebate application programs under SCG3702 which will be renamed to Residential Energy Efficiency Program.
SCG3768	3P-CA Sustainability Alliance	The portfolio is being optimized to shift funds to existing programs that can successfully achieve energy savings. While the program does support research opportunities for energy efficiency, it does not achieve any reportable energy savings.
SCG3769	3P-Portfolio of the Future (POF)	The portfolio is being optimized to shift funds to existing programs that can successfully achieve energy savings. While the program does support product opportunities for energy efficiency, it does not achieve any reportable energy savings.
SCG3770	3P-PACE Energy Savings Project	This in-language outreach program is effective in reaching customers but costly to implement. With a shift from non-resource to resource program funding, in-language outreach will be consolidated under a single, more cost-effective program.

SCG3798	3P-IDEEA365-Waypoint Connect	<p>Program results have shown that the program's identification of energy savings were significantly low compared to the program expenditures. The program has delivered below goal results with increasing costs and declining cost-effectiveness for the past two consecutive years, a trend which continued through 2018.</p>
SCG3736	ARRA- Originated Financing – EmPower Central Coast Financing program	<p>The EmPower Central Coast Energy Efficiency Financing Program is a continuation of financing programs originally supported by American Recovery and Reinvestment Act ("ARRA") stimulus funding in 2012 and implemented by the County of Santa Barbara. Subsequently in 2015 it was scaled up to include Ventura and San Luis Obispo counties. The Program was created to streamline the process of attaining low-cost unsecured loans, recruitment and training of local contractors, and directing customers to utility rebates to help homeowners overcome the high upfront cost associated with energy efficiency upgrades. EmPower was also meant to coordinate with and enhance the Participating Utilities Energy Upgrade California program ("EUC Program") by driving customer participation and qualifying those projects for loans. After careful consideration and on-going evaluation of the program's expenditures related to loan generation, the IOUs have determined that the program has not achieved the level of unsecured loans and energy efficiency projects to make it cost-effective. A contributing factor has been a lack of success in generation of direct participation in Investor-Owned Utilities Core EE residential rebate programs, particularly with respect to participation in Energy Upgrade CA. Other reasons for program closure include the recent Tri-County Regional</p>

		Energy Network (3C-REN) approval to move forward with a program that will include Workforce Education and Training in the same counties for contractors and the CHEEF Residential Energy Efficiency Loan (REEL) program which is duplicative of emPower's residential home loan efforts.
SCG3731	WE&T Strategic Planning	In an effort to better align with statewide efforts, funding for this program will be reallocated to the new Statewide Career Workforce Readiness program.
SCG3806	Water Energy Nexus Shared Network Advanced Meter Infrastructure (AMI) Pilot	In 2016, SoCalGas launched two Water Energy Nexus AMI Pilots with California American Water and San Gabriel Valley Water Company. Pilot activities for these pilots have concluded and no new pilots will be implemented in 2019.
SCG3709	Commercial Continues Energy Improvement (CEI)	The Commercial CEI program will be closed in 2019 and its scope of activities will be undertaken by SoCalGas' Strategic Energy Management (SEM) program (SDG3714). This is being done to ensure all our SEM-related programs are under one umbrella.
SCG3817	Agricultural CEI	The Agricultural CEI program will be closed in 2019 and its scope of activities will be undertaken by SoCalGas' Strategic Energy Management (SEM) program (SDG3714). This is being done to ensure all our SEM-related programs are under one umbrella.

### ***Standalone Programs***

In addition to the third-party programs that will be forthcoming through SoCalGas' solicitation efforts beginning in 2019, SoCalGas' has identified and revised existing program scope to change the reporting relationship of certain programs, creating the following standalone programs in order to align with the implementation of SoCalGas' business plan and the Statewide Programs adopted in D.18-05-041.

- Commercial Savings By Design Program (Statewide)
- Commercial Midstream Water Heating Program (Statewide)

- Commercial HVAC QI/QM
- Commercial LADWP Direct Install Program
- Commercial Pasadena Direct Install Program
- Public Calculated Incentives Program
- Public Deemed Incentives Program
- Public Direct Install Program
- Residential HVAC QI/QM (Statewide)
- Residential Behavioral Program
- Residential Marketplace Program
- Residential Retail Partnering Program
- Residential EE Kits Program
- Residential Pasadena Home Upgrade Program
- Residential Burbank Home Upgrade Program
- Residential LADWP HVAC Program

### ***New Programs***

- Agricultural Direct Install Program
- Commercial Lodging Program
- Commercial Mixed Use Building Program
- Industrial Direct Install Program
- Public Energy Atlas Program (Statewide)
- Public Water/Wastewater Pumping Program (Statewide)
- Residential Home Intel Program
- WE&T Career & Workforce Readiness Program (Statewide)

### **Plan for Achieving a Forecasted TRC of 1.25**

#### **Metrics**

Pursuant to D.18-05-041, SoCalGas provides sector-level metrics, and their associated targets, for program year 2017 in Attachment A.

#### **Revenue Requirements**

The table below summarizes the revenue requirement impact by class of service. In addition, SoCalGas provides herein as Appendix B the Gas Bill Payer Impacts table comparing present and proposed rates associated with the inclusion of SoCalGas' proposed 2019 budget in its gas transportation rates.

**Table 5: Revenue Requirement by Customer Class**

<b>Customer Class</b>	<b>Applicable Rate</b>	<b>Increase/(Decrease)</b>
	<b>Schedules</b>	<b>(\$000s)</b>

Core	GR, GS, GM, GO-AC, G-NGVR, GL, G-10, G-AC, G-EN, G-NGV	\$0
Non-Core	GT-NC, GT-TLS	\$0
<b>Total</b>		<b>\$0</b>

### **Protests**

Anyone may protest this Advice Letter to the 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 received within 20 days of the date of this Advice Letter, which is September 1, 2019. 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  
Attn: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the Energy Division Tariff Unit ([EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)). A copy of the protest should also be sent via both mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-mail: [snewsom@SempraUtilities.com](mailto:snewsom@SempraUtilities.com)

### **Effective Date**

SoCalGas believes that this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. This filing is consistent with D.09-09-047. Therefore, SoCalGas respectfully requests that this filing be approved on October 2, 2016.

### **Notice**

A copy of this Advice Letter is being sent to SoCalGas' GO 96-B service list and the Commission's service lists for R.13-11-005 and A.17-01013. Address change requests to the GO 96-B should be directed by electronic mail to [tariffs@socalgas.com](mailto:tariffs@socalgas.com) or call

213 244 3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

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Ronald van der Leeden  
Director – Regulatory Affairs

Attachments

DRAFT