FILED
5-15-17
04:59 PM

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
Application of San Diego Gas & Electric Company (U902-M) to adopt Energy Efficiency Rolling Portfolio Business Plan Pursuant to Decision 16-08-019.	Application 17-01-014 (Filed January 17, 2017)
Application of Pacific Gas and Electric Company for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget (U39M).	Application 17-01-015 (Filed January 17, 2017)
Application of Southern California Gas Company (U904G) for adoption of its Energy Efficiency Rolling Portfolio Business Plan and related relief.	Application 17-01-016 (Filed January 17, 2017)
In the Matter of the Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan.	Application 17-01-017 (Filed January 17, 2017)

SAN DIEGO GAS & ELECTRIC COMPANY'S RESPONSES TO SUPPLEMENTAL QUESTIONS

Ellen N. Adler
Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY
8330 Century Park Court, CP32D
San Diego, CA 92123
Telephone: (858) 654-0220
Facsimile: (619) 699-5027
E-mail: eadler@semprautilities.com

May 15, 2017

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

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
Application of San Diego Gas & Electric Company (U902-M) to adopt Energy Efficiency Rolling Portfolio Business Plan Pursuant to Decision 16-08-019.	Application 17-01-014 (Filed January 17, 2017)
Application of Pacific Gas and Electric Company for Approval of 2018-2025 Rolling Portfolio Energy Efficiency Business Plan and Budget (U39M).	Application 17-01-015 (Filed January 17, 2017)
Application of Southern California Gas Company (U904G) for adoption of its Energy Efficiency Rolling Portfolio Business Plan and related relief.	Application 17-01-016 (Filed January 17, 2017)
In the Matter of the Application of Marin Clean Energy for Approval of its Energy Efficiency Business Plan.	Application 17-01-017 (Filed January 17, 2017)

**SAN DIEGO GAS & ELECTRIC COMPANY'S
RESPONSES TO SUPPLEMENTAL QUESTIONS**

Pursuant to the Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judges, dated April 14, 2017 (Ruling), and Rules of Practice and Procedure 1.12, San Diego Gas & Electric Company ("SDG&E") files its <u>Amended</u> Responses to the Request for Supplemental Information requested in Attachment A of the Ruling. Specifically, SDG&E responds to questions posed in Sections I, II and VII of Ruling's Attachment A, as hereto attached in Attachment A. The content of Attachment A has not changed; rather, this filing has been supplemented with the foregoing introductory paragraph and below electronic signature to comply with Rules of Practice and Procedure 1.8.

Respectfully submitted,

/s/ Ellen N. Adler

Ellen N. Adler
Attorney for
SAN DIEGO GAS & ELECTRIC COMPANY

8330 Century Park Court, CP32D
San Diego, California 92123
Telephone: (858) 654-0220
Facsimile: (619) 699-5027
Email: eadler@semprautilities.com

May 15, 2017

Attachment A
Questions for Business Plan Proponents

Table of Contents

I. QUESTIONS APPLICABLE TO ALL PROSPECTIVE PROGRAM ADMINISTRATORS (PAS)

A. Business Plans Overall

1. Present a single table summarizing by sector (for the six specified sectors) their energy efficiency market potential, annual savings targets through 2025, and key metrics. This table should enable / facilitate assessment of how (well) the business plans go after efficiency potential, and of progress toward this potential.

SDG&E Response:

Attached hereto as Exhibit A is an Excel table that includes market potential data from the "2015 And Beyond Potential and Goals Study." Savings targets, as stated on page 28 of the Business Plan, directly match the potential study data. For the Business Plan forecast, SDG&E used the 2017 budget filing (pending approval) as the basis for the 2018 forecast.[1] An analysis was done to determine what percentage of 2016 commercial, agricultural, and industrial projects would be considered belonging to the Public Sector. These weights were then applied to the 2017 budget filing forecast to create the Public Sector forecast. The updates to the cost effectiveness avoided costs and other adjustments were applied to the 2017 forecast to create the final 2018 forecast. The result was the Business Plan savings forecast, which is included in the attached.

2. What evaluation studies or other research did you rely upon to inform your proposed intervention strategies and tactics for each sector, and how did those studies/research demonstrate the efficacy of the strategies and tactics in delivering the targeted savings?

SDG&E Response:

Attached hereto as Exhibit B is a works cited summary document which includes all references used in developing the Business Plan and associated strategies for each sector. SDG&E reviewed each reference to determine market potential and identify additional opportunities currently or not currently addressed. The tactics and strategies are designed to address the primary opportunities identified through this research. While the research was extensive, there was still significant uncertainty that currently available research was not able to resolve. The primary gap in available research was due to the new Potential and Goals study not being completed before design of the Business Plan. Additionally, current end use surveys are outdated. As these studies become available, SDG&E will make necessary adjustments to the portfolio in subsequent filings (e.g., annual budget advice letters).

---

[1] SDG&E Advice Letter 2951-E-A/2512-G-A, May 9, 2017 available at http://regarchive.sdge.com/tm2/pdf/2951-E.pdf.

B. Management and administrative strategies (Assigned to all program areas as noted in email)

3. Please justify administrative budgets, and describe primary determinants of budget. What are the drivers of administrative and implementation (non-incentive) cost categories?

SDG&E Response:

SDG&E's overall budget methodology uses 2017 as the baseline and is explained in SDG&E's Business Plan, Appendix B. The following discussion is organized by business sectors.

Residential Sector:

- SDG&E anticipates developing an online residential platform that will integrate programs providing a seamless energy efficiency journey for customers. The non-incentive budget assumes costs to develop and maintain the platform. Following implementation, SDG&E expects to realize program efficiencies and a cost decrease over time.
- To fully engage customers through the customer engagement curve, SDG&E anticipates a sector-wide increase in customer education costs.
- SDG&E anticipates costs associated with Home Energy Management System promotions.
- To provide customers with customized offerings, the residential sector budget includes costs associated with additional data analytics resources.
- SDG&E anticipates promoting high efficiency multi-family apartments through various channels. Initial costs will decrease over time as market transformation is achieved.
- SDG&E's costs associated with real estate community engagement are expected to be higher initially and decrease over time.
- SDG&E would like to offer a direct install program to customers that exceed the income guidelines for current programs.
- SDG&E anticipates administrative costs associated with adding a new Statewide Plug Load and Appliance (PLA) Statewide Program:
    - As the statewide lead, there may be slight increased administrative costs associated with statewide administration of the PLA program while potential decreases may occur with some of the other program areas where SDG&E is not the statewide lead.
    - SDG&E expects to reassign current CAHP and Lighting residential program staff to a statewide program administration assignment.
    - In addition, one new contract manager will support PLA and one new contract manager will support Residential HVAC programs.
    - SDG&E anticipates IT costs to integrate EE systems of record statewide.
- The EM&V budget is included in the residential budget and is 4% of the overall residential budget.

Commercial Sector:

- To arrive at 2018 administrative budget for the Commercial Sector, the admin budget for 2017 commercial programs was used as a baseline and a portion of appropriate program budgets from other areas such as third party programs, upstream lighting, etc. were added. Additionally, the budget from commercial programs related to the new "Public Sector" were reallocated to that sector's overall administrative budget.
- The drivers of the Commercial Sector administrative budget include a variety of activities similar to, if not the same as, past program cycles which ensure responsible program administration regardless of strategies implemented. These include: IT costs associated with online platforms (new and old), program and contract management, regulatory reporting, etc.
- There may be slight increased administrative costs associated with statewide administration of HVAC programs while potential decreases may occur with some of the other program areas where SDG&E is not the statewide lead.
- The drivers of the Commercial Sector implementation (non-incentive) budget include a variety of activities similar to, if not the same as, past program cycles such as: measure development, education/training of contractors/vendors, engineering, processing of rebate/incentive applications, etc.

Public Response:

- As described on page 232 in SDG&E's Business Plan, Appendix B, budgets were developed using 2017 budget values as the base case. The newly-defined public sector started by combining Local Government Partnership and Institutional Partnership program budgets with budgets previously allocated to public customers within the Commercial, Industrial and Agricultural programs. These allocations or "spread factors" were 16%, 23% and 3% respectively, based on kWh savings. Using this "base case" approach for the public sector, SDG&E assumed that the level of support staff under the new business plan model would be commensurate with the level of support currently required to manage Partnership programs and the portion of Commercial, Industrial and Agricultural resource programs attributable to public customers. Incremental administrative budget was included to support new public sector strategies intended to address the barriers and unique market characterization identified in the business plan. Further tactical and budget details will be defined in implementation plans.
- Public sector administrative cost categories are driven by the continued administration of long-term, successful partnership programs, and the assumption as stated in the Business Plan that administrative costs will remain relatively constant despite the shift to third-party implementation.
- Public sector implementation cost categories are driven by the continuation of long-term, successful partnership programs, Third Party implementation costs, and enhancements to public sector programs as described in the Business Plan. Enhancements include specialized audits, stakeholder engagement plans, and energy efficiency-related Climate Action Plan support.

Industrial Sector:

- One of the primary determinants of the Industrial sector budget is SDG&E's goal is to double the participation in the Industrial sector compared to previous sector results. (SDG&E Business Plan, p. 163).
- Achieving additional participation will require inviting external industry experts to drive participation, as well as soliciting new industrial program offerings and transforming the former Continuous Energy Improvement program into the newly adopted Strategic Energy Management (SEM) program.
- These endeavors may increase the administrative costs and efforts beyond past amounts as we manage the contracting process with potential contractor and implementer. More specifically, SEM is one of the main elements of the SDG&E Industrial sector, and although stemming from the previous Continuous Energy Improvement program, Strategic Energy Management is a relatively new approach for all CA IOUs and may require both an administrative and non-incentive implementation focus while preparations are made to implement the program alongside third-party implementers.
- As new or modified strategies are implemented, administrative costs reflect the same, if not additional, levels of effort related to reporting, budgeting and analysis work.
- Due to the market characterization within SDG&E's service territory, Industrial has not been a strong focus in the past. SDG&E previously relied on the "one size fits all" approach by mirroring the same end-uses as in the Commercial sector.
  - Future strategies will shift away from past implementation tactics, so efficiencies are not expected due to the need for more tailored strategies and sector targeting, which will require additional activities not necessarily included in past efforts.
  - This includes executing an SEM program and learning how best to target the Port of San Diego customers, per AB 628.
  - Specific to SEM, measures have yet to be fully identified and engineering labor costs will be needed to ensure cost-effectiveness.
  - Administration costs tied to these learning exercises will help in identifying how best to offer solutions to this niche of customers.

Agricultural Sector:

- Based on SDG&E's market research, the agricultural sector is one of the smallest in the SDG&E service territory (Page 160). One of the primary determinants of the agricultural sector budget is SDG&E's goal to double the energy efficiency participation within the sector for all sized agricultural customers compared to past sector participation. (Page 161, and Page 164 Figure 6.1).
- Achieving additional sector participation will require a change in implementation strategies over those utilized in the past. Rather than providing agricultural offerings in conjunction with commercial offerings, new agricultural program offerings must be

developed and implemented, which focus on addressing barriers specific to the agricultural sector (Page 162-163).

- For the near-term, it is anticipated that administrative costs and efforts will continue to include activities such as measure development, education/training of contractors/vendors, engineering, etc. The agricultural admin budget also covers a small portion (~1%) of additional costs such as research studies and various IT systems support.

Emerging Technologies Program:

- For the emerging technologies program (ETP), the administrative budget forecasts for both 2017 and 2018 includes travel costs and overhead costs (Vacation, Sick Time, and Payroll Taxes) for the FTE's estimated for the program. There is a small marketing budget allocated to the ETP to support the efforts of finding customer test sites. All other costs, including the FTE salaries and project implementation costs are classified as direct implementation costs for the program to meet the project goals set forth in the program implementation plan.

Workforce Education & Training (WE&T) Program:

- SDG&E anticipates the need for these costs to support the various administrative tasks and responsibilities associated with the implementation and management of the Workforce Education and Training program. Some of these tasks and responsibilities include monitoring overall program results, coordinating seminars/trainings, tracking and maintaining customer registrations, collaborating with organizations, developing scope of works for contracting services, and providing energy efficiency expertise to customers.
- SDG&E continues to remain the implementer for the Energy Innovation Center and will continue to explore ways for third party contractors to support the design and implementation of workforce education and training.
- SDG&E anticipates there will be a need to update/enhance technology and equipment at the Energy Innovation Center.
- SDG&E anticipates there will be initial upfront costs to develop an automated online reservation system, but will reduce costs on an ongoing basis. This online portal will improve efficiencies at the Energy Innovation Center.
- SDG&E anticipates there will be annual increases to support online, on-demand, and hands-on trainings and the subcontractor and labor costs associated with them. These increases are necessary to support the legislative mandates, market needs, and energy efficiency goals.
- SDG&E anticipates an increase in annual costs to support various strategic partnerships through integrated energy education and training (IEET). IEET is intended to support community colleges, job-training organizations, trade associations, labor and unions, and

community based organizations and to provide expertise in curriculum development, train-the-trainer sessions and certification programs.

- SDG&E anticipates there will be reduced costs in administrative fees and subcontractor labor due to the statewide implementation of the Connections program.
- SDG&E anticipates reduced costs in resources, marketing, and staffing for the continuation of offsite trainings.
- SDG&E anticipates possible reduced costs in subcontractor labor through a competitive bidding process.
- SDG&E expects an increase in marketing costs due to targeted marketing campaigns.
- SDG&E expects an increase in the Resource and Tool Lending Library. This will support additional seminars and outdated tools and materials that need to be current.
- SDG&E expects an increase to support statewide programs such as the Career Workforce Readiness.

Financing Program:

- The 2017 budget was developed based on 2016 actual spend; the 2017 budget is the basis for the 10-year budget.
- The primary cost drivers for Financing are:
  - Project intake (review project submittals)
  - Coordination with customer and Trade Professionals (by programs staff and account executives)
  - Coordination with rebate/incentive program(s)
  - Engineering support to calculate estimated energy savings
  - Project management & tracking
  - Payment processing
  - Servicing of loans thru duration of loan term
  - Support from IT, Billing and Credit & Collections as necessary
  - Reporting
  - Coordination w/Policy, Regulatory and Legal teams
  - Programs staff training
  - Travel costs for attending Statewide meetings
  - Supplies for programs staff

Codes & Standards (C&S) Program:

- The 2017 and 2018 budgets were derived and forecasted with necessary costs for the C&S team to deliver high-quality C&S programs both statewide and local. All other costs, including the FTE salaries and implementation cost are classified as direct implementation costs for the program to meet the C&S goals set forth in the Business Plans.
- SDG&E will both support implementation of the statewide C&S subprograms and locally implement the reach codes and compliance improvement subprograms. To support implementation of the advocacy subprograms, SDG&E staff will assist the selected statewide implementer(s) in carrying out their responsibilities within SDG&E's service territory and help ensure that SDG&E's ratepayers' interests are well represented. SDG&E staff will also serve as local resources for its programs staff to ensure that development and implementation of energy efficiency programs (whether local or third-party implemented) incorporates past and future updates to codes and standards. Finally, working jointly with SDG&E's local government partnerships group, SDG&E staff will support municipalities interested in pursuing reach codes and will assist with their compliance improvement activities.

4. How are administrative costs and implementation (non-incentive) costs expected to vary over time, either by sector or portfolio-wide?

SDG&E Response:

As stated in the SDG&E Business Plan (Appendix B, p.233), "Significant uncertainty exists around the long-term allocation of budget, making long-term budgeting of limited value. For instance, statewide consensus of roles and responsibilities for statewide programs, has yet to be concluded. Thus, it is not possible to accurately forecast large portions of the portfolio. Additionally, it is currently unclear how moving to 60% third-party implementation will impact programmatic budgets."

Notwithstanding the above uncertainties, SDG&E delineates below how administrative and implementation (non-incentive) costs are expected to vary over time, by sector.

Residential Sector:

- Residential Platform: SDG&E anticipates the overall residential platform efficiencies will be fully realized after program year 2021 through 2027 by leveraging technology to automate internal processes. There will be costs associated with developing the Residential platform initially but SDG&E anticipates a decrease over time. There will be continuing overall maintenance and software licensing fees.
- To fully engage customers through the customer engagement curve, SDG&E anticipates a sector-wide increase in customer education costs.
- SDG&E anticipates a year-over-year increase associated with promoting Home Energy Management Systems as popularity increases.
- The Multi-family apartment promotions and real estate community engagement budgets are expected to vary.

Commercial Sector:

- In the near term, administrative and implementation costs are likely to remain similar to past program years as minimal changes in program offerings are anticipated.
- In the mid and long term, as stated in SDG&E's Business Plan, increased solicitations may drive higher administrative costs, though third-party outsourcing may offer some efficiencies.

Public Sector:

- Public sector administrative and implementation costs are expected to remain constant over the 10-year rolling portfolio cycle. This expectation is based on the best available data, as well as the significant uncertainties associated with third-party administration, among others, beyond the near-term.

Industrial Sector:

- Budgets for the near- and long-term Industrial sector's administrative and non-incentive implementation costs do not currently vary in the SDG&E Business Plan (p. 140, Figure 5.3); however, technological and associated potential changes, goal updates, legislative and regulatory policy changes, and statewide and third party program management will all play a part in future energy efficiency costs within the Industrial sector. Such changes may alter how SDG&E delivers its SEM program, as well as how work is conducted with contractors to target the Port and Port tenants, per Assembly Bill 628, which could alter both the administrative and non-incentive implementation costs in the mid- and long-term.
- Specific to SEM, SDG&E plans to initially target 5-8 facilities while best practices are proven for the newly developed program. A greater understanding of these unique customers will allow SDG&E to successfully execute plans of hosting two or more groups of customer participants simultaneously, which may have an impact on the non-incentive implementation costs.
- It is currently unknown how moving to 60% third-party implementation will impact the Industrial sector (most specifically, the potential of transitioning SEM to a true third-party program).
- SDG&E plans to contract with one or more third-party entities to focus on the specific needs of the Port and Port tenants. Changes like these may help alleviate some of the IOU-specific non-incentive implementation costs, but would not lower the administrative cost involved with ensuring savings are still achieved (i.e. administering contracts).

Agricultural Sector:

- Budgets were developed using the 2017 agricultural budget values as the baseline, and while the agricultural budget is not markedly different from past years, the activities involved with pursuing new energy efficiency endeavors to support Business Plan goals will require administrative costs associated with the implementation and management of various program tactics and strategies.

- As noted in Appendix B, p.233, uncertainty exists around the long-term allocation of budgets and it is currently unclear how moving to 60% third-party implementation will impact programmatic budgets in the future. For the near-term, it is anticipated that administrative costs and efforts will continue to include activities such as measure development, education/training of contractors/vendors, engineering, etc. The implementation of new strategies and collaborations with third-parties may result in higher costs for an increased number of solicitations, but eventual third-party outsourcing may offer some efficiencies depending on the details of the various programs implemented.

Emerging Technologies Program:

The emerging technologies program (ETP) is transitioning to statewide administration with proposed leads of SCE and SoCalGas. At this point it is unclear how statewide administration will affect the participating IOUs, therefore no changes were made to the administrative and direct implementation budgets for ETP in 2018. As the details of statewide administration are finalized, and the participating IOUs have a chance to work within that context, there is potential to reduce the travel by the participating IOUs. Current travel budgets provide support for ETP outreach events, collaborations with national and regional research organizations, and attendance at national energy efficiency conferences. With statewide administrators, there could be a reduced need to participate in some or all of these activities by the non-lead IOUs, which could reduce the travel needs by participating IOUs. Other costs including overhead, marketing and direct implementation associated with personnel and project management will likely remain at current levels for SDG&E.

Workforce Education & Training Program:

- SDG&E WE&T program has used the 2017 budget as a baseline with the 2016 actuals spend to determine what activities are required to meet the goals outlined in the Business Plan.
- SDG&E WE&T program anticipates there will be an increase to support the various type of training offerings which will require additional funding based on the 2016 spend.
- SDG&E plans to launch various marketing campaigns to reach broader audiences. This will assist in meeting the WE&T strategic objectives, legislative mandates, and supporting the increase in energy efficiency savings goals.

Financing Program:

- Although the on-going servicing of energy efficiency financing loans through the duration of their loan terms would likely be a fixed cost over time, the overall financing program budget is expected to vary over time. Potential variables that could impact the

On-Bill Financing program administration budget include: volume of projects, changes in resource availability and marketing/communication activities

- Changes in tactics (i.e. targeting of specific sectors could change resource needs)
- Changes to engineering review process (i.e. possibly eliminating review on deemed projects could lead to cost savings)

Codes & Standards Program:

The Codes & Standards Program has a total of 5 sub-programs. Two of the five sub-programs will move to a statewide administrator. The two subprograms that are likely to move to a centralized statewide effort are Building Codes & Compliance Advocacy and Appliance Standards Advocacy. As these subprograms are administered from a central point, and the logistical workflow is in development, it is not yet apparent where efficiencies are possible to achieve. It is important to understand the new statewide workflow before budget refinement can occur so as to not detract from the quality of the existing programs.

5. As PAs transition to a role largely composed of administration, what are the best practices in administration the PAs will adopt (to maximize budgetary and administrative efficiency)? Describe any other internal approaches, metrics, or strategies that will be implemented by the PAs to ensure budgetary efficiency.

SDG&E Response:

SDG&E has been an efficient administrator leveraging various resources as portfolio needs change, track program performance and accomplish portfolio goals. In its continuing role as Program Administrator for EE programs, SDG&E plans to define target markets and set measurable program requirements such as energy savings (kWh, kW and Therm), cost effectiveness, budget caps and other metrics (sector and program-specific).

SDG&E will continue to work with implementers to define performance levels and will measure the implementers' progress. If the implementers are not successful at meeting their performance requirements, SDG&E will first look for opportunities to assist the implementers to address barriers to their success. If it appears the implementer is unable to achieve the program requirements, SDG&E will look for other ways to serve that market.

6. What metrics will PAs use to determine administrative effectiveness and efficiency specifically?

SDG&E Response:

SDG&E proposes tracking administrative effectiveness by developing a metric to reflect administrative expense by savings achieved. For example:

Administrative Effectiveness Metric=Admin $/MMBtu

Over time, this would allow consistent comparison of administrative effectiveness and improvements in efficiency. It is important to note, as similarly stated in question 13, the IOUs do believe that over time administrative effectiveness will increase. Although, initially significant administrative resources will be necessary to implement statewide programs, such as contracting, etc. Once the programs are implemented, the IOUs expect to see increased administrative efficiency, although that hypothesis is yet to be tested.

7. How often and what information will the PAs report to the Commission reflecting PA administrative spending and efficiency?

SDG&E Response:

SDG&E will work with the Commission to determine a reasonable reporting schedule.

C. Proposed budgets (Assigned to all program areas as noted in email)

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

SDG&E Response:

The IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all of the budget-related questions by May 15, 2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties and approved on May 15, 2017. The common template includes the response to Question 8, therefore, SDG&E will submit its response together with all budget-related information contained in the common budget template to ensure internal consistency with sector budget details.

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

SDG&E Response:

The IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all the budget-related questions by May 15, 2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties.

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

SDG&E Response:

SDG&E has prepared the Solicitation Table, attached herein as Exhibit C. This table provides the detail requested and depicts the anticipated solicitation schedule of SDG&E-led statewide programs, local third party program solicitations (by sector), innovative IDEEA 365 solicitations and other program areas.

SDG&E has not included the proposed budgets in this Exhibit C as they will be detailed in the supplemental budget responses.[2] Additionally, SDG&E will provide the budget ranges for its proposed solicitation strategy in the June 14, 2017 solicitation strategy submittal.

This Solicitation Table represents an updated, phased and more detailed schedule from its Business Plan schedule (shown in Figure 1.10, page 23). This updated table is an attempt to reconcile the regulatory schedule provided in the Scoping Memo (April 14, 2017). As the earliest date possible for a final decision is estimated to be October 2017, SDG&E does not intend to issue solicitations in Q3 2017 and will likely not have adequate time to begin to issue solicitations in Q4 2017. It is important to note that SDG&E foresees that its third-party solicitations will begin in Q1 2018.

Please also note that SDG&E has worked with the other IOUs and, along with PG&E, has included the statewide solicitations for the other lead PA's in this attachment. These were based

---

[2] The IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all of the budget-related questions by May 15, 2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties.

on the IOU Business Plan filings and are subject to change. SDG&E will update this Solicitation Table with its revised solicitation strategy when it is filed in June.

D. Proposed Solicitation Structure and Schedule

11. How long does each PA anticipate the solicitation, contract negotiation, and mobilization period will take for third-party contracts? Describe the timetable for the entire process.

SDG&E Response:

SDG&E anticipates the solicitation timeframes may vary, based on the type of solicitation (i.e. open, statewide, IDEEA 365, targeted, etc.) and on the complexity required for the responses. It is anticipated, however, that most solicitations will follow standard steps, which are outlined at a high-level here. It is important to note that these are approximate and general timeframes. During the Solicitation Workshop and as part of the June 14, 2017 solicitation response, SDG&E, in conjunction with the other IOU's, will provide more detail and graphics to depict the process.

SOLICITATION PROCESS

Step One: Solicitation Preparation (1 to 2 Months)

During this timeframe, SDG&E will work to develop the solicitation and the requisite 'request for proposal (RFP)' documentation. Activities will include identifying the type of solicitation ('statewide program', 'third party program', sector and program area, intervention strategy, request for offer or proposal, etc.) and writing the scope of work. During this time, all RFP documentation (general terms and conditions) will be prepared and collated for release with the scope / solicitation.

The evaluation criteria and vendor scorecards will also be developed during this preparation timeframe.

Also during the preparation, the PRG and I/E will be engaged. This assumes that the PRG process and requirements have been identified and agreed upon by the CAEECC, the CPUC and the IOUs for these solicitations. As with the current process, the PRG and I/E will receive the Scope of Work for review and will be asked to provide feedback which may then be incorporated into the final release of the solicitation.

Step Two: Solicitation Release (1 Month)

This step begins with final assembly of all documents for RFP submittal. SDG&E's internal Supply Management team will provide review and ensure completion of legal review if required. Once the procurement and legal review are complete, management/leadership review in Customer Programs (if required) will also be completed.

Two weeks prior to the release of the solicitation, SDG&E will notify contractors and implementers of the upcoming solicitation and release date with a notice on the statewide solicitation system, Proposal Evaluation & Proposal management Application (PEPMA).[3] This notice will include the type of solicitation - 'statewide program,' 'third party program,' sector and program area, intervention strategy, request for offer or proposal, etc. – and any 'pre-qualifications' that are required (e.g. licenses, experience in energy management, etc.). The contractors and implementers will be given explanation how to register for the solicitation and will be directed to SDG&E's Power Advocate site for further detail.

Solicitation Release takes place in Power Advocate on the specified date.

Step Three: Solicitation Response and Evaluation (2 – 3 Months)

During this time, SDG&E will host a Bidders' Conference and respond to questions from contractors and implementers to ensure that they have the information that they need to provide a comprehensive response to the solicitation. To ensure fairness, all questions submitted by solicitation participants and SDG&E's corresponding responses will be posted publicly so that all respondents have equal access to all solicitation information.

Bids will be submitted to SDG&E and the evaluation will take place. SDG&E's evaluation team will work to compile scores and scorecards and develop a recommendation for top bidders. The IE will be consulted during the evaluation to ensure fairness and accuracy in the process as well. The PRG will be notified of the top bidders and the down-selection process that was followed to get to that recommendation.

The top bidders will be invited to SDG&E for interviews, proposal presentations and final evaluation. Evaluation criteria will also be utilized for this crucial interview process to aid in final recommendations.

Step Four: SOLICITATION and Contract Recommendation (1 Month)

The SDG&E evaluation team will finalize its recommendation for the winning proposal, and will present that recommendation to management and leadership to gain approval of the selection.

Upon internal approval, SDG&E will present its final selection to the PRG and I/E.

At this point, the selected contractor/implementer(s) will be notified of the opportunity to begin program development and contract negotiation.

NOTE: Unsuccessful bidders will not be notified until the successful bidder and SDG&E reach agreement and contracts are executed.

CONTRACT NEGOTIATION PROCESS (1 – 4 Months)

Contract negotiation to finalize pricing, general terms and conditions and specific terms based on program requirements will take place. The activities around contract negotiation include coordination with program staff, utility personnel and the third parties to bring the expertise of all areas to bear for finalization of the statement of work (SOW). Additionally, SDG&E will

---

[3] PEPMA website available at https://www.pepma-ca.com/Account/Login.aspx?ReturnUrl=%2fRegistration1.aspx.

work together with its Supply Management and Legal teams on the internal contracting requirements.

Upon agreement of all terms and conditions and the SOW between the parties, SDG&E will move forward with Supply Management toward agreement execution.

PROGRAM MOBILIZATION PROCESS (6-9 Months)

Multiple activities must take place to complete the mobilization of a program. The outline below is high level, but covers the largest and key areas that must be implemented during this time including:

- Privacy Green Light / Data and Security approvals
- Contractor Safety review
- Implementation Plan development and review by stakeholders (CAEECC/CAEECC subcommittee)
    - Implementation Plan revisions (based on CAEECC comments) and finalization
    - Implementation Plan posting
- Accounting/Financial system set-up (Programs systems and AR/AP/CIS requirements)
- Measure coordination and program system development
- Program kick-off (internal and formal external kick-off)

Solicitation and Program Mobilization Considerations

It is important to note again that these are high level descriptions and estimates which are based on assumptions that the solicitation would take six to eight months, and that contract execution following the solicitation could take up to four months. The other assumption made is that the questions and processes around the PRG – I/E will be resolved and will become a 'seamless' part of the solicitation process.

These timelines are also based on the assumption of the submittal of adequate bids by the contractors/implementers. The quality of the solicitation scope of work and the request for bid from the beginning will support a timeline that is more concise. The quality of the scope and the amount of information to be provided in the solicitations will be discussed at greater length in the Solicitation Proposal to be filed on June 14, 2017.

II. QUESTIONS APPLICABLE TO ALL INVESTOR OWNED UTILITIES (IOUS)

Important note: for this section only (Section II), one jointly-developed common response to be submitted by all IOUs is required.

A. Statewide Programs Proposal

12. Please provide supporting information/evidence (including a scoring and/or comparison of the IOUs) for each of the six criteria used to determine that each IOU should be the statewide lead for each program, as proposed in the IOUs' Statewide Administration Approach proposal.[7] In particular, it appears that progress toward the Strategic Plan objective of Residential Zero Net Energy (ZNE) will be pursued through four different statewide programs, led by four different IOUs: Residential New Construction (SoCalGas), Building Codes Advocacy (PG&E), Residential Upstream HVAC (SDG&E), Lighting (SCE). Provide a rationale for this approach.

The IOUs used the list of statewide programs included in D.16-08-019, Ordering Paragraph (OP) 8,[4] and assigned lead program administrators to each of these programs, as ordered in OP 6.[5] In determining statewide lead assignments, the IOUs followed the Commission's expectation in D.16-08-019 that "natural leads with capacity to handle the statewide programs will either volunteer or be nominated by their peers, with a consensus approach brought forward to the Commission for consideration."[6] The IOUs considered multiple factors in putting forth these "natural leads." The recommendation to separate lighting, HVAC, and PLA is in part an acknowledgement of the vendors behind the manufacturing and distribution of these products. For example, a review of the manufacturers and distributors for HVAC technologies revealed redundant vendors within a technology family. This led IOUs to conclude there may be a "natural bundling" of HVAC (both residential and commercial). IOUs also found that the vendors behind other technologies, such as lighting, operate independently. The recommendations put forth by the IOUs would support a streamlined approach for delivering products to market, taking into consideration the relationships with vendors and expertise in specific technology areas.

A quantitative scoring or analysis to evaluate the statewide leads is challenging due to disparity in statewide program designs. For instance, PAs categorize programs differently (e.g., PG&E's Residential HVAC program includes upstream, midstream, and downstream elements, while SDG&E has a stand-alone Residential HVAC upstream program), which makes it challenging to compare costs and performance. These differences require additional work to normalize for consistent comparison.

---

[4] OP 8 requires the following programs be administered on a statewide basis: "Residential: Plug Load and Appliance Midstream, Heating Ventilation and Air Conditioning (HVAC) Upstream/Midstream, New Construction; Commercial: HVAC Upstream/Midstream, Savings by Design; Lighting: Primary Lighting, Lighting Innovation, Market Transformation; Financing: New Finance Offerings; Codes and Standards: Building Codes Advocacy, Appliance Standards Advocacy; Emerging Technologies: Technology Development Support, Technology Assessments, Technology Introduction Support; Workforce, Education, and Training: Connections; Government Partnerships: California Community Colleges, University of California/California State University, State of California, Department of Corrections and Rehabilitation."

[5] OP 6 requires the IOU PAs to include "…proposals for statewide programs and/or subprograms that comprise at least 25 percent of their portfolio budgets."

[6] D.16-08-019, p. 54.

As a result, the IOUs did not score against the six criteria listed in the statewide administration white paper. However, PG&E and SCE prepared spreadsheets early in the evaluation that attempted to provide their own respective analyses of IOU statewide programs which showed relative savings, expenditures, cost-effectiveness, and other qualitative information using data provided in the IOUs' 2017 annual budget advice letters (PG&E is submitting the attachments on behalf of the IOUs. Please see PG&E's Response to the Scoping Memo). These documents were shared with all IOUs as the team was determining statewide lead assignments. Although this exercise was useful as a point of reference, it was not sufficient for decision making. These documents were shared with all IOUs as the team was determining statewide lead assignments. Although this exercise was useful as a point of reference, it was not sufficient for decision making.

The IOUs recognize opportunities exist to modify many of the existing statewide programs in support of ZNE and are open to managing solicitations that allow for consolidation of statewide programs. The IOUs plan on bidding out the current set of statewide programs. They believe the third party solicitation process will generate innovation from new program proposals and designs.

13. Explain how the following concerns are anticipated to be addressed, and/or what models from California or elsewhere were reviewed to anticipate how to address these, or what next steps might be required to arrive at a clear and cost-efficient method for administering the statewide programs:

At a Commission workshop on March 24, 2015, Charles Goldman from Lawrence Berkeley National Laboratory presented the general functions and roles that are required for energy efficiency program administration (PG&E is submitting the attachments on behalf of the IOUs. Please see PG&E's Response to the Scoping Memo). The summary of these roles aligns with the approach the IOUs adopted in designing their statewide proposals. Building on the information presented by Mr. Goldman, the IOUs summarize the roles and functions of portfolio administration as follows:

- General Administration and Coordination
  - Contracts with primary contractors; coordination; and reporting to the public, state agencies, legislature, etc.
  - Infrastructure for data management, accounting, payments, IT systems, compliance with confidentiality and privacy laws, etc.
  - Governance and dispute resolution for statewide programs
- Goal Setting, Portfolio and Program Development & Planning, and Budgeting
  - Facilitate goal setting and planning with public input
  - Establish an overall portfolio with definition of and balancing of budgets, cost-effectiveness, goals, caps and targets, and metrics
  - Define the portfolio framework and maintaining long-term stability
- Portfolio and Program Administration and Management

- Manage budget and sub-contracts for individual programs, provide basics of portfolio design, identify program needs, and provide oversight/guidance to implementers
- Oversee the solicitation efforts for sector level program proposals and overall vendor and contract management

- Impact, Process, and Market Evaluations
  - Establish the evaluation framework
  - Provide for market assessments, potential studies, impact evaluations, and cost-effectiveness assessments (often done by third-party evaluators)

a. Clarify the role of all PAs, and not just IOUs, in the anticipated governance/ oversight/communication structure and processes. How will anticipated cost efficiencies and uniform participation terms be achieved?

Each statewide program will have a Program Council that includes a representative from each of the funding PAs.[7] The lead PA[8] for each statewide program will serve as the chair of the Program Council and will be responsible for coordinating and conducting meetings. The Program Council will meet on a quarterly basis, although meetings will likely be held more frequently at first. The Program Council will oversee the following activities:

- The scope of work and solicitation for the program
- Budget, metrics, and other reporting needs (e.g. records retention, audit, etc.)
- Statewide uniformity in program delivery and participation
- Program review, including territory specific performance and overall implementer performance

Furthermore, the lead PA will be responsible for serving as the single point of contact for communications with the third party. The lead PA is responsible for uniform statewide program delivery. Each Program Council can determine the appropriate time for the third party to present updates to the Council or if the lead PA will present on behalf of the third party.

The IOUs hope that the transition to the statewide model may contribute to reducing transaction costs as a result of consolidating operational and administrative aspects of program implementation. However, the IOUs underscore that the connection between statewide administration and cost efficiencies is a hypothesis that has not yet been put to the test. As a result, the IOUs cannot be certain these efficiencies will be achieved, particularly in the early

---

[7] A funding PA is an energy efficiency program administrator that contributes funding to a statewide program.

[8] A lead PA is the single energy efficiency program administrator that will serve “in the role of lead administrator for each of the statewide programs, with consultation with the other administrators of other key aspects of the portfolio” (D.16-08-019, p. 53). The lead PA will also “…be the final arbiter or decision maker with respect to the program” (D. 16-08-019, p. 54).

phase of the transition. Nevertheless, the IOUs plan to continuously search for opportunities to refine the model to reduce transaction costs for all funding PAs.

b. Clarify the anticipated participation or input, if any, of external non- PA (e.g., end user and market actor) representatives or participants in statewide governance assigned to the "Statewide Program Council."

External non-PA representatives will not have a role in the statewide Program Council because the California Energy Efficiency Coordinating Committee (CAEECC) is the existing stakeholder forum for both statewide and local programs. It is anticipated that CAEECC will continue to be the main forum for input from non-PA participants.

c. The Statewide Administration Approach proposal describes informal dispute/concern resolution among the PAs themselves, with resort to formal Commission dispute resolution only if the informal route does not succeed. Specifically, if a non-lead PA objects to the design/implementation of a statewide program, or budgetary obligation, what recourse do they have, if any?

The Program Council will strive for a consensus driven approach. However, if a non-lead PA raises a concern, it will be considered comprehensively for adoption at the programmatic and portfolio levels. If consensus cannot be reached at either of these levels, a convening of the funding PAs' leadership will attempt to resolve any issues before seeking formal Commission assistance with dispute resolution. Note also that the governance process must be flexible in order to allow PAs to adjust as they gain experience with statewide program administration[9].

14. What are the statewide aggregate budgets for each statewide program?

The IOU will base aggregate budgets for each statewide program on historic levels for solicitation purposes as described in the response to question 15 below. However, some programs may receive less funding overall, as is the case with the Primary Lighting program due to the effects of Codes & Standards. Final budgets will also depend on the results of the solicitations. In addition, there are several new statewide programs proposed in the Business Plans, and budgets from those programs are still being developed. The IOUs will also adjust budgets as needed so that a minimum of 25% of the portfolio budget qualifies under the definition of Statewide.[10] The IOUs anticipate including the estimated statewide aggregate budgets for solicitation purposes for these new programs in their supplemental budget

---

[9] "Appendix A: Statewide Administration Approach" to the Statewide Administration Chapter in PG&E's Business Plan; "Exhibit 2: Statewide Administration Approach," in SDG&E's Business Plan; "Exhibit SCE-03: Statewide Administration Approach" in SCE's Business Plan; and "Appendix to the Executive Summary: Statewide Administration Approach" in SCG's Business Plan.

[10] D.16-08-019, OP 6.

information. This information will be provided after the meet and confer sessions with ORA, TURN, and other interested stakeholders. [11]

The IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all of the budget-related questions by May 15, 2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties.

15. How are statewide program budgets determined?

Consistent with the Commission's direction, statewide program budgets will be determined by the funding PAs based on the savings potential in their respective service territories, Commission-approved goals, historical budgets, and their influence on overall portfolio cost-effectiveness.[12] For existing statewide programs, the funding PAs will also use their historic program budget levels to conduct statewide program solicitations. For new statewide programs, the budget will be determined based on each PA's overall portfolio cost-effectiveness analysis and the Commission-approved goals. These budgets will be adjusted and finalized by each PA, based on the results of the solicitations, to arrive at the annual statewide program budgets. Consistent with the Rolling Portfolio approach, the statewide program budgets may change over the life of the Business Plan. Any budget updates will be presented in the annual budget advice letter.

As discussed in Question 14, the IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all of the budget-related questions by May 15,

---

[11] The IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all of the budget-related questions by May 15, 2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties.

[12] D. 16-08-019, COL 46, p. 103 states, "Statewide programs should be budgeted by each utility, with budgets trued up annually prospectively based on prior year's program participation by service area. The costs by utility area should be factored into each utility's portfolio cost-effectiveness analysis."

2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties.

16. If budgets are not finalized, what is the process for finalizing them?

Please see response to Question 15 regarding the process for finalizing statewide program budgets.

17. Will administrative budgets vary across statewide programs, as a percent of program budget? If so, why?

Yes, administrative budgets will likely vary across statewide programs as a percentage of program budget due to variations among the statewide programs. Variations include differences in program design, delivery channel, program maturity, targeted market size, and complexity. Nevertheless, administrative costs will be managed consistent with the Commission's administrative cost cap.[13]

18. Clarify how the statewide budgeting / budget reporting will work with respect to the following:

a. Will non-lead IOUs provide the lead IOU with funding?

Yes, the non-lead IOU PAs will provide the lead IOU with a specified authorized annual program budget for their service territory. Consistent with D.16-08-019, the IOU PAs will true up program expenditures among IOU service territories annually based on customer participation.[14] This process will enable the lead IOU and non-lead IOUs to be reimbursed up to an IOU PA's authorized program budget.

b. How much program budget are the non-lead IOUs required to offer, and how much administrative budget?

Please see responses to Questions 15 and 17 regarding non-lead IOU funding requirements and processes.

19. How will statewide programs support complementary efforts across the PAs?

---

[13] D.09-09-047, OP 13 states, "Administrative costs for utility energy efficiency programs (excluding third party and/or local government partnership budgets) are limited to 10% of total energy efficiency budgets."

[14] D.16-08-019, OP 7 states "Costs for each statewide program and/or subprogram shall be budgeted and trued up annually prospectively based on actual customer participation in each utility service territory."

As part of the guiding principles discussed in the Statewide Administration section of each IOU's Business Plan,[15] the PAs have agreed to several tenets, one of which is "do no harm." This tenet means the lead PA will make decisions that preserve the collective ability of all participating PAs to meet their energy savings goals, maintain a cost effective portfolio, and minimize impacts to existing local and downstream programs. Another tenet is to "take a stand for our customers," which means the PAs will make decisions that take into consideration the customer experience and strive for simplicity, clarity, and ease for all customers. Operationally, each Program Council will be responsible for coordinating and communicating with local programs so that duplication is minimized or eliminated, market and customer needs are being met, and PAs and implementers have the right information to manage their portfolio and program needs.

20. How will the PAs reconcile their expectations of savings and costs for shared programs (e.g., Plug Load Appliances)?

The PAs' savings and budget levels will be finalized at the time contracts are executed for implementation. If actual savings and expenditures differ from expectations, the lead PA and implementer(s) will investigate and communicate the root cause with the funding PAs to determine next steps. Outcomes may include fund shifting, rebidding, modifying program design, or other actions.

21. Describe the management and procedural policy/process/strategy for ensuring third party implementation performance, specifically:

a. Determining length(s) of initial contracts.

The funding PAs intend to set contract term limitations on all agreements with third parties. In addition to this being a procurement best practice, the IOU PAs believe it will be important to review the Terms and Conditions of these new agreements on a regular basis. As these agreements will be part of the initial framework for new third party programs,[16] the IOU PAs will regularly evaluate third party performance against contract requirements and key performance indicators (KPIs) and will consider these factors when reviewing contracts for renewal or extension.

Contract terms will be dependent upon program design and requirements.

---

[15] The guiding principles can be found in "Appendix A: Statewide Administration Approach" to the Statewide Administration Chapter in PG&E's Business Plan; "Exhibit 2: Statewide Administration Approach," in SDG&E's Business Plan; "Exhibit SCE-03: Statewide Administration Approach" in SCE's Business Plan; and "Appendix to the Executive Summary: Statewide Administration Approach" in SCG's Business Plan.

[16] D.16-08-019, OP 10 defines third party programs as those that are "proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator."

b. Will contract lengths be consistent across all statewide programs? Why or why not?

No, contract lengths may not be consistent across all statewide programs because they will depend on market conditions, type of program, implementer, and the potential for meeting or exceeding metrics and goals.

c. Will PAs have discretion to extend current third party contracts at will?

Yes, PAs will have discretion to extend current third party contracts at will in accordance with the Commission policy.

d. Determining whether an expiring contract can be extended and when it must go to bid.

The PAs will evaluate third party performance against contract requirements and KPIs. Program evaluation of KPIs, performance, and metrics will inform whether an expiring contract could be extended or whether there is a need for program design changes, which could result in changes to contract lengths and/or termination. Any contract changes will be handled with the intention of providing a seamless transition for customers. Furthermore, the PAs will continually evaluate the need for additional solicitations to address non-performance and/or portfolio gaps.

e. Determining how many contracts /third parties would be retained for a statewide effort that calls for diverse skill sets not held by a single entity.

This decision depends on market conditions, program design, implementer proposals, and other factors. All funding PAs will participate in establishing evaluation criteria and subsequently evaluate solicitations against these criteria to determine the right mix of implementers for any given solicitation to meet metrics and goals.

f. Determining statewide funding and the funding contributed by each PA.

Please see the response to Question 15 regarding the funding of statewide programs.

g. Determining an administrative budget.

Please see the response to Question 17 regarding the determination of administrative budgets.

h. Monitoring third party performance and ensuring appropriate accountability to stakeholders.

i) Who will determine whether performance indicators have been met?

The lead PAs, in consultation with the funding PAs, will be responsible for evaluating implementer performance against KPIs.

ii) How will these be tracked and vetted by the lead PA and the co- funding PAs?

All funding PAs will participate in developing KPIs for inclusion in contracts. These KPIs will be consistent with the metrics proposed in the implementation plans. The lead PA will be responsible for providing regular updates to funding PAs on implementer performance against their KPIs. Each statewide Program Council will determine the cadence by which KPIs are reported.

iii) What role will stakeholders have in assessing third party performance?

Stakeholders will have the opportunity to provide input on overall program performance through the CAEECC process and will have access to publicly available implementation plan metrics and goals.

j. Ensuring that PAs provide adequate support to third parties and facilitate coordination with other portfolio activities.

Please see the response to Question 19 regarding coordination with other portfolio activities.

k. Facilitating communication and coordination across various portfolio activities and third party implementers within and across service territories.

Please see the response to Question 19 regarding coordination with other portfolio activities.

22. How will the Statewide Emerging Technology leads interact with the other IOUs in implementation of the business plans and technology priority maps? Explain in detail.

Consistent with the statewide administration governance process, and assuming the Commission approves the IOUs' statewide program proposals in their Business Plans, there would be an Electric Emerging Technologies Program Council and a Gas Emerging Technologies Program Council. These two programs councils would meet on a quarterly basis to coordinate efforts regarding the implementation of the Business Plans and the technology priority maps. In addition, these meetings would be conducted in a manner consistent with the structure described in the response to question 13.

B. Proposed Solicitation Structure and Schedule

23. What considerations or factors did the IOUs account for in their strategy for bidding out the various programs / sectors?

Each IOU presented unique transition plans in their Business Plans. Below is a high level overview of various considerations that may have been used in the development of the IOUs' third-party program solicitation strategies:

- Responding to new Commission policies related to statewide programs, the third-party program definition and third-party program minimum thresholds of 60% and 20%.

- Recognizing Commission identified programs earmarked for statewide implementation.
- Identifying pre-existing third-party programs and PA programs that may be continued, while consistent with the Business Plans.
- Identifying sector level needs and desired program strategies as presented in the Business Plans, including the EE potential and goals, regulatory guidance, legislative direction, market changes, and customer needs.
- Prioritizing solicitations for statewide programs and expiring third-party programs.
- Seeking greater cost-effectiveness in program delivery.
- Leveraging existing utility services (e.g., customer account representatives, billing services for financing, billing data for customer analytics, etc.).
- Seeking innovation that will improve the overall program portfolio performance and cost-effectiveness as well as smaller-scaled pilots to test innovative concepts.
- Responding to the Commission requirement for a smooth transition into the new third-party program approach through a set of phased program solicitations.
- Promoting a healthy and vibrant energy efficiency ecosystem in California, for both large and small providers, including a focus on Diverse Business Enterprises (DBE) contracting practices.
- Identifying contract efficiency opportunities, including longer-term contracts and pay-for-performance contracts, with and without the use of normalized metered energy consumption, where practical.

C. Industrial and Agricultural Sectors

24. Given decline in market potential in the industrial sector and drop-off in participation, explain whether and how each IOU intends to increase participation.

In the industrial chapter of each Business Plan, the IOUs identified barriers to participating in energy efficiency as well as strategies to increase participation. A discussion of IOU-specific strategies is included below:

SCE

SCE believes a set of new opportunities that may become available in the industrial sector could lead to changes in past customer participation levels. It remains unclear to SCE whether participation changes will result in a net increase from past participation or market potential. Initial observations and results from implementation of these new opportunities would help better answer that question. SCE anticipates the following new opportunities:

- Converting its current non-resource Continuous Energy Improvement program to a savings-eligible Strategic Energy Management program, initially to be piloted with industrial customers with large energy usage profiles;

- Introducing existing condition baselines and behavioral, retrocommissioning, and operational savings claims for non-strategic energy management industrial customers are expected to yield additional eligible activities;
- Implementing a pilot exploring behavioral energy savings claims potential through the use of industrial facility energy management systems; and
- Supporting deeper analysis, if needed, into past and future Industry Standard Practice guidance in order to clarify and provide greater differentiation regarding technology scope and customer applicability.

SCE anticipates working with third-party partners to execute these and other strategies to help determine our potential to successfully increase industrial sector participation. SCE actively participants in statewide improvement processes[17] where approved simplification efforts could help improve industrial sector participation as well.

PG&E

PG&E identifies a variety of approaches in its business plan that will be leveraged to increase participation. In particular, PG&E highlights the introduction of Strategic Energy Management as a key element in our vision to reduce unnecessary energy use in the industrial sector. The initial framework and continued development of the Strategic Energy Management platform will potentially enable PG&E and its partners to reach a broader set of customers, pursue behavioral and operational savings, and see an increase in engagement year after year.

PG&E believes industrial customers' participation will take on many forms, from accessing and reviewing real time energy data to make smarter energy management decisions (e.g., data access and awareness intervention strategy) to working closely with an expert to populate a long-term energy management plan (e.g., technical assistance and tools intervention strategy). PG&E designed its intervention strategies to be multifaceted to address the industrial sector's diverse customer base. Enhanced customer targeting and strategic partnerships, options for financial assistance, new program designs, robust technical services, and leveraging the upstream channel for basic equipment needs will all be necessary for meeting PG&E's participation goals and targets.

PG&E will look to third parties with expertise in the industrial sector to propose, design, and deliver programs that support the goals it has outlined for this sector in its Business Plan Industrial sector chapter, page 2.

SDG&E

For the limited industrial market in San Diego, SDG&E plans to maximize savings through the use of third parties with expertise in the industrial sector and the Strategic Energy Management intervention strategy.

---

[17] D.15-10-028, pp. 95-102 and D.16-08-019, pp. 38-39

SoCalGas

SoCalGas industrial customer sector represents nearly 25% of the natural gas consumed by all program-eligible customers. The industrial sector has a unique set of barriers facing the industrial customer. SoCalGas will reduce these barriers by a complimentary, integrated set of program intervention strategies that will actively engage the customer to capture both stranded market and economic energy efficiency potential. Through approaches outlined in the Industrial Sector Chapter, SoCalGas is pursuing high adoption of energy efficiency solutions across all industrial segments with particular emphasis on ensuring high adoption among smaller industrial customers that demonstrate high energy efficiency potential relative to their segment and size. Industrial organizational practices and simple customer engagement with reduced customer transactional costs will facilitate the investment in and the pursuit of energy efficiency solutions. Some specific strategies outlined in the Business Plan include:

- Strategic Energy Management
- Small Industrial Outreach
- Technical Assistance
- Pay-for-Performance

SoCalGas will look to third parties with expertise in the industrial sector to propose, design, and deliver programs that support increased participation in the industrial sector. Additionally, SoCalGas is an active participant in statewide custom project improvement processes to simplify the custom process to help improve industrial sector participation and increase savings.

D. Finance

25. Specify whether each IOU considers finance a resource or a non-resource program, and why.

The IOUs consider energy efficiency financing to be resource programs per D.12-05-015 and D.12-11-015. D.12-05-015 states, "We also clarify that we consider this statewide financing portfolio category as a whole to constitute a set of 'resource' programs designed to deliver additional savings beyond those that would otherwise be achieved by other programs."[18] Additionally, the approved utility energy efficiency budgets for 2013 and 2014 identified in D.12-11-015 include financing as part of "statewide resource programs" along with residential, commercial, industrial, agricultural, lighting, and codes and standards programs.[19]

26. If any IOU considers finance as a resource, how does/will it measure the savings?

On January 24, 2014, Energy Division (ED) issued its disposition for the IOU's statewide workpaper titled "On Bill Repayment Energy Efficiency Financing Pilots." The disposition

---

[18] D. 12-05-015, p. 136.

[19] D. 12-11-015, Table 13, p. 103.

states energy savings would be determined on an ex post basis in coordination with ongoing EM&V efforts, which will help inform ex ante savings parameters for future program cycles. Based on this direction, the IOUs are awaiting the results of the financing pilots' evaluations before prematurely measuring, forecasting, and reporting savings. The IOUs are currently reviewing the draft impact evaluation, "Assessing the Cost-Effectiveness of Energy Efficiency Financing Programs," to assess how we might claim incremental savings for finance programs.

E. Codes and Standards

27. How were the codes and standards goals in the business plans determined?

The goals presented in the Codes and Standards Business Plan chapters are derived from the 2015 Potential and Goals study.

28. Do the statewide goals listed include federal standards, reach codes or only statewide goals attributable to advocacy?

The statewide goals listed in the Business Plans include federal appliance standards, California Title 20 appliance standards, and California Title 24 building codes. Reach codes, while considered a resource sub-program, do not have savings embodied in statewide goals or expected IOU accomplishments.

29. Are the IOUs coordinating on federal standards advocacy? If yes, how?

Although federal standards advocacy is not a component of the statewide program, the IOUs keep each other informed of their federal standards advocacy efforts. When there is agreement among IOUs, joint comment letters may be filed in federal proceedings in support of the IOUs' position. Independent comment letters are filed when positions differ among IOUs.

NOTE THAT SECTIONS III THROUGH VI DO NOT APPLY TO SDG&E.

VII. QUESTIONS APPLICABLE TO SAN DIEGO GAS & ELECTRIC COMPANY (SDG&E)

A. Third Party Programs / Solicitation Plan

94. Two of the 2017 third party programs are high opportunity programs and projects (HOPPs). Have implementers been retained for these programs already? If not, why are these solicitations not addressed in the solicitation plan?

SDG&E Response:

SDG&E filed two HOPPs program proposals in 2016.

The commercial HOPPs Retro-commissioning program (AL2951-E/2512-G) was approved on September 1, 2016. To mobilize and generate project leads quickly, SDG&E worked with the previous Retro-commissioning implementer and negotiated a contract for development of the program and delivery of initial projects and savings in 2017. The program is designed to engage customers in a longer-term commitment to energy savings, and as such, SDG&E intends to retain its contracted implementer into 2018 through program implementation and based on performance and delivery program KPIs. Based on the assessment of the program and successes, SDG&E will determine when and where it is appropriate to insert the program into the solicitation process.

The second proposed HOPPs program, the Multifamily HOPPs program (AL-2865-E), gained approval on September 20, 2016. To ensure seamless integration and facilitate participation for our customers, SDG&E worked with the previous Multifamily Direct Install implementer and negotiated a contract for development of the program and delivery of initial projects and savings in 2017. Based on the assessment of the program and successes, SDG&E will determine when and where it is appropriate to insert the program into the solicitation process.

95. Out of the 2017 third party programs, aside from the three that will be bid out to statewide implementation and the three that are industrial/agricultural (and so will be bid out in solicitation tranche 2), how many of the remaining third party programs will be re-bid? Where are these in the solicitation plan? If they are not included, why not?

SDG&E Response:

In order to comply with D.16-08-019 OP10, SDG&E anticipates that the majority of its current third party programs will be part of the solicitation process. As noted in the Solicitation Approach (page 24 of the Business Plan), the phases – or tranches – were described at a sector level. Please refer to the response to Question 10 (of this Supplemental Information) for further detail on the schedule and on the program descriptions that are anticipated by sector.

96.The Midstream Plug Load and Appliance Program description calls for Point-of-Sale and Retail Products Platform, as well as advocating for energy management system communication standards and protocols. Each of these seem separate tracks, with possibly separate expertise. Does SDG&E envision multiple third parties? If so, how many?

SDG&E Response:

SDG&E is open to the idea that there may be multiple third parties for development and support of these platforms. SDG&E looks forward to the proposals of multiple bidders and the expertise they may bring, and it is anticipated that the bidders will propose multiple program solutions with products that may be covered in midstream and upstream offers.

B. Statewide Downstream Residential Quality Installation/Quality Maintenance (QI/QM) Pilot

97. SDG&E proposes a downstream QI/QM Residential pilot that will use pay-for-performance. How does SDG&E view this pilot in relation to the current SDG&E Residential QI/QM Third Party Program (SDGE3212)?

SDG&E Response:

It is premature to determine specifics for the downstream QI/QM Residential Pilot as the design will reflect third-party proposals and leverage lessons learned from the previous program iterations. While the specifics of the program design will be provided by third party implementers, SDG&E has proposed a five-point approach to improving upon the previous program. As stated on page 21 of the business plan, the five-point approach includes:

1) Improving HVAC system performance to generate greater savings for customers;

2) Enhancing requirements to ensure that only qualified contractors can participate;

3) Simplify the assessment and measurement approach to optimize cost effectiveness;

4) Employ a pay for performance approach to align incentives with savings: and

5) Create value propositions that address and overcome the "run to fail" mentality for equipment maintenance and installation.

In addition, there will be key learnings as SDG&E implements the statewide Residential and Commercial Upstream Program to enable the channel integration discussed on page 22 of SDG&E's Business Plan.

98. What does pay-for-performance mean for the residential pilot context? Who would receive payment, and for what?

SDG&E Response:

As described in D-16-08-019 (p.75-76), the program administrators are encouraged to "ensure risk-sharing and performance emphasis by utilizing pay-for-performance contracts in all contracts where savings measurement will be performed and where risk can be shared and not solely placed on ratepayer funding". In the case of the residential QI/QM downstream pilot, pay-for-performance will ensure that payments to the implementers are for verified savings. As stated in response to Question 97, the details of the program will be determined through a solicitation and third-parties will propose program designs that detail various payment models.

99. One of SCE's HOPPs proposals is a commercial QI/QM HOPPs pay-for performance program. Does SDG&E have a plan to coordinate with this effort?

SDG&E Response:

As part of the Guiding Principles discussed in the Statewide Administration section of the business plan, the SW PA's have agreed to several tenets, one of which is "do no harm". This tenet means that the SW Lead PA will make decisions that preserve the collective ability to meet energy savings goals, achieve cost-effectiveness goals, and minimize impacts to existing local and downstream programs. SDG&E is committed to ensuring that close coordination occurs for the Residential QI/QM program, given it is the first downstream program to be piloted in the new statewide approach. SDG&E is aware of SCE's HOPPs proposal and is currently exploring the opportunity to coordinate with SCE; however, the overlap between the Residential QI/QM program and SCE's Commercial QI/QM HOPPs proposal is anticipated to be minimal.

100. Why does it make sense to have a downstream statewide QI/QM pilot for the residential sector but not for commercial?

SDG&E Response:

On pages 59 and 60 of D.16-08-019, the CPUC determined a measured approach to downstream statewide programs was appropriate stating that "a few" would "be piloted," ultimately requiring "at least four" as stated in Ordering Paragraph 9 on page 111. In harmony with this, SDG&E considered multiple options and proposed one statewide downstream pilot, residential QI/QM. Specifically, SDG&E believes that a downstream residential QI/QM pilot offers more value than a commercial pilot would. The residential QI/QM pilot will seek to determine if there are opportunities to increase cost-effectiveness through statewide administration. Additionally, statewide downstream pilots likely will be significantly more complicated than statewide upstream/midstream programs and residential QI/QM likely will be simpler to pilot than commercial. For instance, residential systems are typically limited to one or two units that are less sophisticated (e.g., no economizers, simpler controls, etc.) than in the commercial setting and the relevant QI/QM standards are also less complex. Finally, commercial QI/QM enhancements and improvements are already being considered in HOPPs and piloting statewide administration may be disruptive to this effort.

C. Statewide Administration - Budget Transparency and Administrative Efficiency

101. What is SDG&E's administrative strategy? SDG&E (at page 20 of business plan) states that as program administrators their goal will be to maximize cost-effectiveness, streamline business practices and "Partner with manufacturers and retailers."

SDG&E Response:

As stated in SDG&E's Business Plan Exhibit 2[20], SDG&E is a lean, efficient administrator. Although there are several factors that work against cost-effectiveness (e.g., limited Industrial Sector and a relatively small portfolio - $116.5M), SDG&E has been able to create a portfolio

[20] A.17-01-014 available at https://www.sdge.com/sites/default/files/regulatory/SDGE%20EE%20BP%20Application%20FINAL%20with%20BP_2.PDF.

with a TRC greater than 1.5, as well as creating a competitive lifecycle cost for energy efficiency measures. Building upon this platform for success, SDG&E's statewide lead assignments are based on its vision for the future of the statewide program offerings.

a. Does SDG&E see its own staff working with manufacturers and retailers, or will this be a function of a third party?

SDG&E believes that initially, there is important ground work to be done to establish relationships and prepare manufacturers and retailers for the new programs. As the lead PA, SDG&E should have a facilitative role with potential implementers and manufacturers to ensure that there is a smooth transition and a clear path for goals to be met. It is expected that as the model proves to be successful the role of the implementer can be expanded.

b. How will SDG&E ensure effective communication and support with third parties?

Establishing clear KPI's and metrics is key to setting expectations and supporting third parties. Setting a reasonable cadence of meetings and deliverables will also contribute to successful and effective communication with the third parties.

c. How will SDG&E facilitate third party coordination with complementary/related efforts taking place in other PA portfolios that are not managing the third party?

As part of the guiding principles discussed in the Statewide Administration section of each IOU's Business Plan,[21] the PAs have agreed to several tenets, one of which is "do no harm." This tenet means the lead PA will make decisions that preserve the collective ability of all participating PAs to meet their energy savings goals, maintain a cost effective portfolio, and minimize impacts to existing local and downstream programs. Another tenet is to "take a stand for our customers," which means the PAs will make decisions that take into consideration the customer experience and strive for simplicity, clarity, and ease for all customers. Operationally, each Program Council will be responsible for coordinating and communicating with local programs to ensure that no duplication exists, market and customer needs are being met, and PAs and implementers have the right information to manage their portfolio and program needs.

d. How many full time equivalents (FTEs) does SDG&E anticipate will be needed to administer each Statewide program? Will this change over time?

The IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all of the budget-related questions by May 15, 2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties.

[21] SDG&E's Business Plan Exhibit 2 at 6.

101. Are there targets for the percent of total program costs that are administrative? If not, why not?

SDG&E will remain compliant with the administrative caps that are set by CPUC.

102. Does SDG&E expect that administrative costs will vary over time (e.g., higher during solicitation)? On what basis are administrative costs expected to change?

SDG&E Response:

The IOUs and the non-IOU Program Administrators have agreed to a common budget template and to provide additional budget information requested by The Utility Reform Network (TURN) and the Office of Ratepayer Advocates (ORA), and will submit all budget-related information called for in Attachment A on or before June 12, 2017. Given the scope of the budget and accounting information requested by TURN and ORA, the resources required to compile the requested information, and the need to address regulatory issues, these parties agreed that it was not feasible to submit all of the budget-related questions by May 15, 2017. A motion seeking an extension of time was filed on May 12, 2017 by the above-listed parties.

D. Budget and Cost-Effectiveness Tool Data

103. SDG&E does not plan to change the size of staffing, but is moving from less than 30 percent outsourcing to 60 percent outsourcing without expanding budget. Explain how SDG&E intends to achieve the increased outsourcing target without increasing its staff size.

SDG&E Response:

SDG&E is already using current vacancies to position our staff for the future model where SDG&E will play a larger role as program administrator and a smaller role as program implementer. Additionally, SDG&E has a successful practice of bringing on contracted specialists to support larger resource requirements.

104. Which programs will be funded with Demand Response (DR) funds? (provide program IDs)

SDG&E Response:

For 2015 through 2016, D.14-01-004 reaffirmed the Commission's decision to continue approval of the IDSM DR components in the EE proceeding. D.14-01-004 states, "In D.12-04-045, we explained that 'beyond 2012 all IDSM activities would be proposed and approved through the energy efficiency proceeding.' There is nothing in the record of this proceeding that would lead us to change this policy."[22] Subsequently, the EE proceeding in D.14-10-046 approved the continuation of the IDSM DR funding in Figure 6 and made a few adjustments to IDSM

---

[22] D.14-01-004, "Decision Approving Two-Year Bridge Funding for Demand Response Programs," p. 12.

programs were applicable.[23] The following IDSM programs are funded through the same mechanism as SDG&E's Demand Response programs.

ProgramCode	ProgramName	Admin Budget	Marketing Budget	Direct Implementation Budget	Total Budget
3283	SW-COM-Customer Services- Audits NonRes (TA)	$127,018	$21,302	$1,509,785	$1,658,104
3284	SW-IND-Customer Services- Audits NonRes (TA)	$28,461	$12,221	$206,715	$247,397
3285	SW-AG-Customer Services- Audits (TA)	$23,452	$7,651	$183,698	$214,801
3286	Local-IDSM-ME&O-Local Marketing (DR)	$113,839	$753,723	$43,153	$910,715
3294	Local-IDSM-ME&O-Behavioral Programs (DR)	$224,103	$7,934	$1,376,945	$1,608,983
	Total DRP IDSM Budget	**$516,872**	**$802,831**	**$3,320,296**	**$4,639,999**

105. For each of these DR funded programs:

a. What is the administration budget?

Please refer to response to Q104 above.

b. What is the total DR budget?

Please refer to response to Q104 above.

c. What is the combined DR/EE budget? What is the combined DR/EE administration budget?

	Administration	Marketing	Direct Implementation	Total
EE	$ 12,056,253	$ 3,298,504	$ 101,101,554	$ 116,456,311
DR	$ 516,872	$ 802,831	$ 3,320,296	$ 4,639,999
Total	$ 12,573,125	$ 4,101,335	$ 104,421,850	$ 121,096,310

106. Page 4 says DR "behavior programs" and "audits" will be funded with DR budget of $4.6 million. The CET file shows program SDGE3261 Local IDSM-ME&O-Behavioral Programs (EE) with cost of $3.3 million. How are these two budget items related? Is this one program with funding from two sources, or two programs?

SDG&E Response:

For illustration purposes, the 2017 IDSM programs and EE/DR budgets are as follows:

[23] D.14-10-046, "Decision Establishing Energy Efficiency Savings Goals and Approving 2015 Energy Efficiency Programs and Budgets (Concludes Phase 1 of R.13-11-005)," Section 3.7 Integrated Demand Side Management, pp. 101-103.

Program Code	DR Program Name	Total DR Budget	Program Code	EE Program Name	Total EE Budget	Program Name	Combined DR/EE Budget
3283	SW-COM-Customer Services- Audits NonRes (TA)	$1,658,104	3217	SW-COM-Customer Services- Audits NonRes	$1,371,909	SW-COM-Customer Services- Audits NonRes	$3,030,013
3284	SW-IND-Customer Services- Audits NonRes (TA)	$247,397	3229	SW-IND-Customer Services-Audits NonRes	$467,704	SW-IND-Customer Services-Audits NonRes	$715,101
3285	SW-AG-Customer Services- Audits (TA)	$214,801	3236	SW-AG-Customer Services-Audits	$106,114	SW-AG-Customer Services-Audits	$320,915
3286	Local-IDSM-ME&O-Local Marketing (DR)	$910,715	3260	Local-IDSM-ME&O-Local Marketing (EE)	$1,215,076	Local-IDSM-ME&O-Local Marketing	$2,125,790
3294	Local-IDSM-ME&O-Behavioral Programs (DR)	$1,608,983	3261	Local-IDSM-ME&O-Behavioral Programs (EE)	$3,308,643	Local-IDSM-ME&O-Behavioral Programs	$4,917,626
			3282	SW-IDSM-IDSM (EE)	$391,814	SW-IDSM-IDSM	$391,814
	Total DR IDSM Budget	$4,639,999		Total EE IDSM Budget	$6,861,260		$11,501,259

Currently, the CET only allows SDG&E to input the EE portfolio data and currently does not accommodate the IDSM DR program information as part of the data upload. SDG&E has discussed this issue with Commission Staff when the issue came up in SDG&E's 2017 EE Budget Advice Letter filing process last September 1, 2016.

107. In 2016 SDG&E spent about $84 million, out of which about $22 million was in the Residential sector – so roughly 25 percent of spending was Residential. The 2017 budget of $112 million includes $32 million of Residential spending, or 28 percent. The proposed 2018 budget is $116M, of which $48 million is Residential, or about 41 percent. Why is SDG&E transitioning to a much greater focus on residential spending, especially given commercial is more cost effective (commercial sector Total Resource Cost (TRC) is 1.4 versus 0.9 for residential) – and achieving cost effectiveness is challenging given current avoided costs?

SDG&E Response:

Please see response to Q3.

108. The cost effectiveness tool data (Excel workbook) and the budget in the body of the business plan are inconsistent. The difference between Program Administrator Cost (PAC)/TRC costs with and without administration is $65 million, or 55 percent of portfolio spending. This figure is well in excess of maximum administrative costs allowed by current policy. These figures do not match the administrative budget in the body of the business plan. Explain.

SDG&E Response:

The administration costs in the PAC/TRC calculations includes all non-incentive costs and is not limited to what the Commission defines as allowable administration costs for calculating administration cost caps. Note that the administration cost in the TRC calculation includes incremental measure cost of the EE measures forecasted. The TRC administration cost will be equal or greater than the portfolio administration or non-incentive budget. Therefore, the use of the administration cost resulting from the TRC/PAC calculations is not appropriate for determining whether the portfolio is within the required administration (excludes marketing, non-incentive direct implementation, EM&V, ESPI and other non-incentive costs) cost cap.

The following tables illustrate the calculations based on the CET model.

ADMIN	$	16,260,222
MARKETING	$	3,285,304
DI (NON INCENTINVE	$	40,956,792
EMV	$	4,658,311
TOTAL	**$**	**65,160,629**

$	16,260,222	CET INPUT (ADMIN)
$	9,000,000	LESS ESPI AND OH
$	7,260,222	NET ADMIN COSTS
$	116,456,000	TOTAL 2017 EE BUDGET
	6.2%	**ADMIN AS % OF TOTAL 2017 EE BUDGET**

109. In the cost effectiveness tool (Excel workbook), the PAC and TRC costs by measure sum to $217 and $118 million by measure, but sum to $207 and $109 million by program. Why don't they match? Why do measure costs appear to exceed program costs? Also, the planned budget is $116 million, which doesn't match either figure. What is the source of the $116 million figure?

SDG&E Response:

SDG&E's response is in 3 parts:

Part 1 - SDG&E reviewed the version of the CET results workbook used for its Business Plan and found the following: TRC Costs = $216,860,609 and PAC Costs = $118,222,824. These values are the same at the portfolio, program and measure level. The CET workbook that was used is available on the SDGE regulatory filing website.[24]

Part 2 – SDG&E developed its forecast as a representation of the planning period. The measure mix was developed to achieve several goals/constraints. As a result, the final values slightly exceed the budget. Reductions in the budget would improve the cost-effectiveness within rounding levels.

Part 3 – The $116 million is identified in Figure 1.13 of the Business Plan ($116,456,309).

110. Why are first year gross kWh savings significantly greater than lifecycle gross savings? And why are first year gross therm savings significantly lower than lifecycle net therms?

SDG&E Response:

[24] The CET Workbook is available at https://www.sdge.com/regulatory-filing/20456/sdge-energy-efficiency-rolling-portfolio-business-plan.

First year gross kWh savings without codes and standards (program 3249) are lower than lifecycle kwh savings as identified in the measure level CET output. Codes and Standards savings (program 3249) utilizes first year net kWh savings for purposes of portfolio goal attainment and not first year gross kWh savings.

The CET output for gross kWh lifecycle savings at the measure level appear consistent with calculated gross kwh lifecycle savings, however reported CET output at the program level for gross kwh lifecycle savings appear to be in error.

The lifecycle net therms are consistent with EUL and NTG planning values utilized in the CET model.

111. Entries for first year net therms and lifecycle gross kWh are identical (see "program results" tab columns AH and AI). Confirm whether these figures are correct.

SDG&E Response:

SDG&E only recently identified a few issues with this updated workbook. As an example, at the portfolio level, SDG&E noticed that the First Year Gross kWh in column AB is equal to the Lifecycle Gross kWh in column AH. Since the similar net values in column AE and AJ were not equal and appeared reasonable, it is possible that there are CET data output errors. SDG&E will discuss with ED staff.

112. Why would a program (plug load and appliance) be close to a 1.0 TRC based on first year gross savings, and have lifecycle savings that are five times larger, but still have a negative lifecycle net benefit?

SDG&E Response:

TRC Net Benefits is the difference between the lifecycle Benefits (net of NTG) and the Costs. When Costs exceed the Benefits, the resulting TRC is negative. On the other hand, the TRC ratio is the ratio of the lifecycle Benefits (net NTG) to the Costs. If the benefits are less than the Costs, the TRC ratio will be less than one. These two results are just two different ways of understanding the cost effectiveness of a program.

E. Residential sector

113. The multi-family savings goal (page 52 of the business plan) suggests the multi-family sector will provide electricity savings proportionate to its total consumption, but only half that or less for natural gas. (A similar situation exists for the commercial sector.) What explains the disproportionately lower yield of gas savings?

SDG&E Response:

SDG&E disagrees that the multifamily segment has underperformed compared to consumption. Energy efficiency savings results for SDG&E's multifamily segment is proportionally HIGHER than its consumption. Per the Business Plan, Multifamily accounts for 23% of consumption and 54% of gas savings (Page 52).

114. The problem statements in Figure 2.21 present "intervention strategies" that appear to fall substantially short of overcoming the stated barriers. By inference perhaps the utility is relying upon "black box" solutions to be proposed by third-party bidders, who in turn will further articulate logic models and intervention strategies to deliver savings. Is that a correct assessment? If so, on what basis has SDG&E estimated energy savings from this sector?

SDG&E Response:

The basis of estimated energy savings considers SDG&E's program implementation experience, historical baselines, and the benefits of the pay for performance model.

115. SDG&E's stated residential sector goals are: a. increase savings through an improved customer experience b. increase multi-family participation by going after tenants and owners c. continue to innovate by executing new approaches to the market. Beyond benchmarking and promotional intervention strategies, what additional strategies will be drawn upon to overcome investment barriers?

SDG&E Response:

SDG&E intends to draw upon the following additional strategies to overcome investment barriers:

- Develop split incentive pilots for Multifamily properties to identify a long-term path forward.
- Partnering with PACE and utility financing programs to help with EE purchases that may be costly.
- The web portal will offer customers audits, finance program online applications, and track customer progress to ZNE.
- Customer engagement curve will provide education to provide benefit information including return on investment.
- Engage real estate professionals to promote EE through marketing and education.
- Develop offerings that integrate Home Energy Management Systems.
- Provide new direct install opportunities for targeted customer segments.

For more details, please refer to Figure 2.4 of the SDG&E Business Plan.

116. Provide any information or intelligence that SDG&E has regarding its current customer experience. What area(s) require improvement, and what is the nature and magnitude of needed improvement? How are level(s) of improvement tied to program participation and energy savings?

SDG&E Response:

SDG&E is looking to further leverage segmentation and integrate with its Customer Information System (CIS) to provide the right offer to the right person at any particular touch point. SDG&E

has recently submitted an application (A.17-04-027) to the Commission to substantially replace and modernize its CIS and related sub-systems. The CIS replacement program will allow SDG&E to further leverage big data and enhance customer engagement.

- Big data - Leverage data analytics to provide customers with a more seamless experience. The right offer to the right customer at the right time will result in increased program participation and energy savings.
- Customer Programs Awareness – In the customer engagement curve, the behavior program will raise awareness initially that will drive customers to the web portal. The goal is to increase overall EE and HEMS adoption with personalized recommendations expected to improve program participation.

The new CIS will provide more streamlined access to programs/offers, including single sign-on and multiple self-service options for customers, which will lead to greater uptake in programs

117. SDG&E portfolio level savings are taken directly from the 2015 Potential and Goals Study. However, at the residential sector level, SDG&E proposes to almost double kWh savings from what's presented in the P&G study (36GWh/year to 68GWh/year). Explain and demonstrate why the sector budget remains static (to the dollar) over the life of the business plan.

SDG&E Response:

The overall portfolio budget remains constant but savings are anticipated to increase, largely due to an increase in behavioral program participation.

118. SDG&E notes that the physical hub of energy management services and the virtual hub will be the cornerstone of residential energy management. The residential strategy includes development of a centralized web portal. Shouldn't energy management services technologies integrate with IOU billing data and energy management software/tools that are on IOU websites? Why or why not?

SDG&E Response:

SDG&E anticipates integrating its web portal with its CIS (mainframe) and website to ensure that the most up-to-date customer information and offers are available to its customers. In an ideal state, customers will be able to explore tailored offers based on their current profile (derived from a composite of databases including the CIS and websites).

F. Commercial Sector

119. How will the new program models capture stranded potential for the hard-to reach small and medium business sector? In other words, looking at the Figure 3.6 presentation of sector intervention goals, strategies and tactics, what evidence supports SDG&E's belief that its approach will produce the indicated energy savings outcomes?

SDG&E Response:

SDG&E has done thorough market research and analysis to arrive at a comprehensive understanding of its customer base. In figure 3.9 in the Business Plan, SDG&E demonstrates that 85% of its customers have electric demand under 20 kW. Also, in figure 3.10, SDG&E demonstrates that 88% of the businesses in San Diego region employ less than 20 employees. The segmentation analysis performed shows that the main segments in San Diego are the wholesale/retail/office and hospitality/service segments. When you combine the fact that San Diego is a city of small businesses that are predominantly in the segments mentioned above, it is very likely that these businesses do not own their own facilities. The likelihood that they have a property manager is very high. Therefore, a key strategy in SDG&E's commercial sector plan is to target the property management industry. The property manager is the gateway to reaching both the tenant and building owner, helping each audience understand the value of energy efficiency for themselves and for each other. As a result, property managers will help extend the reach of programs in a cost effective manner, building owners will understand the value of investing in efficient buildings and potential tenants (end use customers) will be informed consumers that evaluate a building's efficiency as they would other property characteristics such as location, parking, etc. The commercial sector Business Plan cites several sources that support this approach, such as the Better Building Alliance, US Department of Energy (SDG&E Business Plan p. 80), "Upgrading Tenant Spaces," by the EPA (SDG&E Business Plan p.80), "The Business Case for Green Building," USBGC SDG&E Business Plan (p.81), "Office Building Sector Snapshot," ESource (SDG&E Business Plan p.81), Small Business Direct Install Benchmark Study, ESource (SDG&E Business Plan p.81).

120. More details are needed in the plan on the new approach supporting financing structures that facilitate meter-based savings.

SDG&E Response:

SDG&E did not reference specific changes to financing to support structures that facilitate meter-based savings; however, the current models should allow for meter-based savings to be financed. Additionally, SDG&E will support the efforts proposed by implementers in future SW Finance solicitations.

121. Was the existing benchmarking program modified for the small and medium business sector?

SDG&E Response:

The Benchmarking Program represents a service that SDG&E provides to all commercial customers to assist them with the upload of their energy usage via the Web Services platform within EPA's Portfolio Manager. The existing benchmarking program has not been modified specifically for the small and medium business sector. However, in the future there may be modifications made due to AB 802 and the requirements around public disclosure of information for benchmarking purposes.

122. Where are the objectives for the commercial third-party programs (solicitations)?

SDG&E Response:

Specific objectives for third party programs will be addressed in the Implementation Plan phase, therefore specific objectives for programs have not been determined. However, in harmony with the language in the Portfolio Overview of SDG&E's Business Plan (p.24), the commercial third-party programs will help SDG&E meet its minimum 60% threshold and add qualified implementers to streamline energy efficiency program delivery with a significant focus on reduced costs. Additionally, new innovative programs and technologies will be pursued through commercial third-party solicitations.

123. Will the IDEEA 365 solicitation process be used to select all of the commercial programs?

SDG&E Response:

SDG&E intends to add qualified implementers and programs to its portfolio through the strategies for solicitation outlined in the Business Plan (p. 24). SDG&E has proposed a phased approach which includes incorporation of EE potential, market trends, legislative direction, regulatory guidance and customers' needs into solicitation requirements. The proposed phases include the commercial sector and the approved SW program solicitations. SDG&E also will continue to solicit new, innovative strategies and technology solutions through IDEEA 365 solicitations, which are important to round out the portfolio. It should be noted that the 'Request for Abstract' approach will probably not be used for market solicitations.

124. The majority (85 percent under 20 kW) of SDG&E customers are small and medium; how will SDG&E achieve zero net energy readiness for this market?

SDG&E Response:

SDG&E has identified and assessed both the attitude and aptitude barriers that affect customer participation in energy efficiency. By simplifying the application process and removing the "hassle factor" that often deters customers, SDG&E plans to increase penetration in the hard-to-reach small and medium business sector through an improved customer experience. SDG&E will also leverage third parties to help execute new and innovative approaches that satisfy customers' comprehensive needs. Furthermore, because SDG&E's customer base is comprised of mostly small and medium-sized businesses, the average customer load factor may be relatively low in comparison to that of other California IOUs. As stated in the Business Plan on page 28, due to "load factor's positive correlation with electric usage, one can infer that customers with low load factors have longer paybacks; therefore, EE measures for these customers are not as cost effective." Thus, ZNE Ready could happen a lot sooner in the small and medium SDG&E customers market than it will for customers with high load factors in other territories/climates. Further research on ZNE Readiness is needed to support our customers through their energy efficiency journey. SDG&E will continue to investigate the impact of low load factors on being ZNE Ready.

125. How will SDG&E meet the two proposed metrics for the third-party solicitations?

SDG&E Response:

It is not clear to SDG&E what third party metrics for the Commercial Sector the Ruling is referring to.

126. See question in multi-family sector that is similar for commercial sector (page 67) – why are the electric savings proportionately high relative to consumption share, but far less so for natural gas savings? Specifically address the seemingly disparate statements that "gas potential is very small for the commercial sector" (page 75) with the chart on page 70 indicating that the commercial sector produces 58 percent of SDG&E's total gas savings.

SDG&E Response:

SDG&E disagrees with the premise that commercial gas savings are proportionally less than that segment's consumption. The Commercial sector delivered 58% of SDG&E's portfolio gas savings and makes up only 22% of gas consumption. The commercial sector delivers proportionally higher gas savings compared to consumption.

Regarding the seemingly disparate statements that "gas potential is very small for the commercial sector" (page 75) with the chart on page 70 indicating that the commercial sector produces 58 percent of SDG&E's total gas savings:

While the commercial sector's gas potential is very small on an absolute basis at approximately one million Therms (see page 77 figure 3.15), the commercial sector has historically delivered a relatively large portion of the portfilio's gas savings at 58%. Therefore, 58% appears to be a large percentage of the portfolio gas savings, but in absolute terms the commercial potential is relatively small at approximately one million Therms.

127.Does SDG&E observe a lack of access to or utilization of advanced metering infrastructure data to be a barrier to further energy savings among public sector customers within its territory? If so, how will the barrier be addressed?

SDG&E Response:

SDG&E has worked closely with its public sector customers to address data access challenges, particularly with local governments. SDG&E and its customers have noted challenges with sharing community-wide usage data due to data privacy rules. While these challenges accessing community usage data have not been observed to directly impact energy savings, indirect impacts including less effective marketing of EE programs do occur.

SDG&E participates on the Energy Data Access Committee to address these issues, and has encouraged local government partners to participate and voice their concerns and challenges.

128. What strategies will SDG&E pursue to address their observed market barriers of "B5: Current Processes and Tools Are Not Intuitive" and "B6: Mismatch between Public Sector Timing and Available Offerings?"

SDG&E Response:

Market barriers B5 and B6 ("Current processes and Tools are not Intuitive" and "Mismatch between Public Sector Timing and Available Offerings") are jointly addressed by two strategies, described below.

As described in the strategy on page 120 of the Business Plan, "Tailor offerings to meet the unique needs of public customers," SDG&E proposes modifications to programs that will better align with the unique needs of public customers. Such modifications include:

- Leverage, and modify where necessary, SDG&E's Comprehensive Audit Program to streamline the path from measure identification to installation.
- Develop a set of unique effective useful life (EUL) values for public sector customers that reflect more realistic equipment lives.
- Tailor EE program offerings to accommodate longer public customer project timelines and build in flexibility to account for additional hurdles/requirements for public customers.

As described in the strategy on page 121 of the Business Plan, "Develop a public sector customer action plan to facilitate participation," SDG&E proposes to employ a tailored approach for each public sector sub-segment. Components of the tailored action plan include:

- Create an online platform that streamlines the participation process and integrates program offerings. The platform may also be used as a bidding platform to further drive EE savings.
- Partnership assistance- continue strong relationships with existing formal partners, and provide more robust service to non-partnered entities.
- Develop a comprehensive, whole-building program for public sector customers. Part of the public sector action plan will be to provide assistance in meeting the State's ZNE goals, a large component of which will be whole-building energy efficiency projects.

129. Why, according to Figure 4.2, does SDG&E's goal for annual gas savings remain constant at 0.5 MMTherms/year through 2025?

SDG&E Response:

SDG&E's constant goal for natural gas savings reflects Navigant's 2015 Potential Study for the Commercial Sector indicating that savings potential remains flat through 2025. Because a comparable study has never been conducted for the public sector, the commercial sector's potential study serves as the best available proxy at this time.

H. Finance

> **130. SDG&E reports unspecified changes in existing on-bill financing loan terms and limits for the public sector and possibly other non-residential sectors. (p. 219) Address the implied cost to ratepayers, and any potential increase in risk from these changes.**

SDG&E Response:

SDG&E's increased On-Bill Financing maximum loan amount and term for public sector customers could lead to a need for additional funding in its loan pool, which is funded in a two-way balancing account outside of the EE portfolio in rates. Based on the forecast of pending projects, the current authorized funding level ($26 million) of the loan pool appears to be adequate at this time. If additional loan pool funding is required at a later date, SDG&E would seek CPUC authorization to collect additional funding in rates.

> **131. Is SDG&E specifically requesting these on-bill financing policy changes be authorized by the Commission in the business plan application, to be followed by appropriate advice letter tariff filings?**

SDG&E Response:

SDG&E will request changes to its On-Bill Financing program in accordance with existing CPUC guidelines. For example, the increased maximum loan amount and term for public sector customers that took effect on January 1, 2017 was submitted in December 2016 via a PIP addendum. This month SDG&E submitted a PIP addendum to implement the increased maximum loan amount and term for multi-family low income customers.[25] SDG&E will continue to make changes to its On-Bill Financing program in collaboration with the other IOUs and in accordance with CPUC guidelines.

> **132. Provide an explanation for when on-bill financing is a reasonable source of funding and when other sources and mechanisms will be promoted to interested building owners or occupants in public, commercial, industrial, or agricultural sectors.**

SDG&E Response:

SDG&E believes On-Bill Financing is the most desirable source of funding for qualifying customers who are retrofitting equipment with EE measures that qualify for an SDG&E rebate/incentive. SDG&E believes the Finance Pilot Programs will be an attractive funding source for customers who wish to install some non-EE measures (up to 30% of the total project

---

[25] Consistent with Decision 16-11-022, Ordering Paragraph 81, SDG&E is offering modified loan terms that are more accessible to the multifamily market by increasing the financing limits to $250,000 with the terms expanded to ten-years for multi-family properties that meet specified program eligibility criteria using the 65% ESA-eligible tenant multifamily common area measure rule for participating non-deed restricted multi-family buildings to facilitate building participation that house predominantly ESA-eligible tenants

cost) in addition to EE measures. The Finance Pilots could also be an option for customer projects that exceed the maximum On-Bill Financing loan terms.

133. Expand upon the commercial sector strategy SDG&E has in mind for "streamlining in the application process and further integrating financing with the rebate and incentive programs" in order to "make financing programs easier to use" (p. 90).

SDG&E Response:

SDG&E plans to create a single platform for financing projects in coordination with rebate/incentive programs as part of the strategy to improve the customer experience. SDG&E will incorporate feedback from internal and external stakeholders to streamline the On-Bill Financing application process. SDG&E will also integrate the new statewide Finance Pilot programs with rebate/incentive programs when those pilot programs are available.

EXHIBIT A

	Market Potential																							
	2018			2019			2020			2021			2022			2023			2024			2025		
	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh
AGRICULTURE	2.7	0.2	0.0	2.7	0.2	0.0	2.7	0.2	0.04	2.7	0.2	0.0	2.7	0.2	0.04	2.8	0.2	0.04	2.8	0.2	0.04	2.8	0.18	0.036
COMMERCIAL	61.2	13.9	1.0	61.6	14.5	1.0	63.9	15.4	1.05	68.9	16.3	1.0	72.4	17.6	1.02	76.3	18.6	1.01	76.3	19.6	0.99	76.3	19.64	0.99
RESIDENTIAL	35.8	5.1	0.9	37.0	4.8	0.9	37.4	4.8	0.98	31.4	4.1	0.7	32.3	4.1	0.75	34.2	4.1	0.83	34.2	4.1	0.90	34.2	4.13	0.901
PUBLIC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.00	0	0	0
INDUSTRIAL	6.5	0.6	0.2	6.4	0.6	0.2	6.4	0.6	0.17	6.3	0.6	0.2	6.2	0.6	0.17	6.1	0.6	0.17	6.1	0.6	0.17	6.1	0.56	0.173
CROSSCUTTING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.00	0	0	0
Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.0	0.0	0.0	0.00	0.0	0.0	0.00	0.0	0.0	0.00	0	0	0
Streetlighting	1.9	0.0	0.0	1.9	0.0	0.0	1.9	0.0	0.00	1.7	0.0	0.0	1.4	0.0	0.00	1.1	0.0	0.00	1.1	0.0	0.00	1.1	0	0
Behavior Savings (Res+Com)	33.4	0.0	1.1	34.2	0.0	1.1	35.0	0.0	1.08	35.6	0.0	1.1	36.3	0.0	1.11	37.5	0.0	1.12	37.5	0.0	1.13	37.5	0	1.13
C&S - IOU Attributable Savings	95.6	24.2	0.7	93.8	24.2	0.7	89.2	23.7	0.71	76.4	22.1	0.7	69.0	21.0	0.65	56.1	19.8	0.64	56.1	19.1	0.61	56.1	19.08	0.607
	237.1	43.9	3.9	237.6	44.2	3.9	236.5	44.6	4.0	223.0	43.2	3.7	220.3	43.4	3.7	214.1	43.2	3.8	214.1	43.6	3.8	214.1	43.6	3.8

	Savings Targets																							
	2018			2019			2020			2021			2022			2023			2024			2025		
	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh	GWh	MW	MMTh
AGRICULTURE	2.7	0.2	0.0	2.7	0.2	0.0	2.7	0.2	0.0	2.7	0.2	0.0	2.7	0.2	0.0	2.8	0.2	0.0	2.8	0.2	0.0	2.8	0.18	0.036
COMMERCIAL	61.2	13.9	1.0	61.6	14.5	1.0	63.9	15.4	1.0	68.9	16.3	1.0	72.4	17.6	1.0	76.3	18.6	1.0	76.3	19.6	1.0	76.3	19.64	0.99
RESIDENTIAL	35.8	5.1	0.9	37.0	4.8	0.9	37.4	4.8	1.0	31.4	4.1	0.7	32.3	4.1	0.8	34.2	4.1	0.8	34.2	4.1	0.9	34.2	4.13	0.901
PUBLIC	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
INDUSTRIAL	6.5	0.6	0.2	6.4	0.6	0.2	6.4	0.6	0.2	6.3	0.6	0.2	6.2	0.6	0.2	6.1	0.6	0.2	6.1	0.6	0.2	6.1	0.56	0.173
CROSSCUTTING	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Mining	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0	0	0
Streetlighting	1.9	0.0	0.0	1.9	0.0	0.0	1.9	0.0	0.0	1.7	0.0	0.0	1.4	0.0	0.0	1.1	0.0	0.0	1.1	0.0	0.0	1.1	0	0
Behavior Savings (Res+Com)	33.4	0.0	1.1	34.2	0.0	1.1	35.0	0.0	1.1	35.6	0.0	1.1	36.3	0.0	1.1	37.5	0.0	1.1	37.5	0.0	1.1	37.5	0	1.13
C&S - IOU Attributable Savings	95.6	24.2	0.7	93.8	24.2	0.7	89.2	23.7	0.7	76.4	22.1	0.7	69.0	21.0	0.6	56.1	19.8	0.6	56.1	19.1	0.6	56.1	19.08	0.607
	237.1	43.9	3.9	237.6	44.2	3.9	236.5	44.6	4.0	223.0	43.2	3.7	220.3	43.4	3.7	214.1	43.2	3.8	214.1	43.6	3.8	214.1	43.59	3.837
As presented on page 28 of the Business Plan	236 - 238	44-45	3.9-4.0	236 - 238	44-45	3.9-4.0	236 - 238	44-45	3.9-4.0	223-214	43	3.7-3.8	223-214	43	3.7-3.8	223-214	43	3.7-3.8	214	44	3.8	214	44	3.8

BUSINESS PLAN 2018 FORECAST	GWh	MW	MMTHERMS
Agricultural	0.4	0.1	0.1
Commercial	132.9	25.7	1.7
Residential	158.4	18.8	1.5
Total Public	25.6	3.9	1.0
Industrial	6.7	1.2	0.1
ET Program	0.0	0.0	0.0
WE&T	0.0	0.0	0.0
FINANCING	0.0	0.0	0.0
C&S	171.8	33.5	1.6
TOTAL	495.8	83.3	6.1

KEY METRICS					
RESIDNETIAL	AGRICULTURE	COMMERCIAL	PUBLIC	WET	INDUSTRIAL
Track individual unique visits to energy platform	Number of agricultural participants enrolling in the SEM program	Number of small commercial, non-owner occupants enrolled in customized energy management program	Determine and deliver leadership "tool kit"	Curriculum developed and shared with external organizations	Number of customers engaged with this solution per year
Number of customers enrolled in a Behavior program	Number of agriculture customers participating in water related EE programs month over month	Number of landlords educated via marketing or WET.	Number of San Diego regional leaders and decision makers using tool kit.	Number of participants trained in high potential topics/energy use areas for energy savings	Number of unique industry engagements (diversity of types of industry)
Implement new informative training tools for property managers/owners and track manager/owner tool uptake		Number of new and returning customers to the online platform	Increased number of public entities with an established EE Goal (i.e., CAP or kWh savings goal)	Number of participants trained in high potential topics/energy use areas for energy savings	Complete port offering
Implement new informative training tools for tenants and resulting tenant engagement		New approaches initiated and customers enrolled.	Audits resulting in action (at least one implemented measure)		
Number of "new" approaches executed			Increase in absolute number of sector-wide implemented EE measures		
			Increased voluntary progress beyond existing code		

EXHIBIT B

SDG&E's Energy Efficiency Business Plan 2018-2025

References

AEE Institute. 2014. CA Advanced Energy Employment Survey, p4. http://info.aee.net/hs-fs/hub/211732/file-2173902479-pdf/PDF/aeei-california-advanced-energy-employment-survey-fnl.pdf.

American Council for an Energy Efficient Economy – 2008 ACEEE Summer Study on Energy Efficiency in Buildings, p. 3-209. http://aceee.org/files/proceedings/2008/data/papers/3_514.pdf

"Assigned Commissioner and Administrative Law Judge's Ruling and Amended Scoping Memorandum (Regarding Phase III of R.13-11-005)," November 2, 2016.

ASWB Engineering and Opinion Dynamics Corporation. April 8, 2016. Lighting Control Training Assessment. Prepared for Southern California Edison, San Diego Gas & Electric, and Pacific Gas & Electric. http://www.calmac.org/publications/Lighting_Controls_Training_Assessment_Report_2016-04-08b.pdf, p. 68.

Brown, Jerry. California Governor's Executive Order B-18-12. https://www.gov.ca.gov/news.php?id=17508.

Bureau of Labor Statistics. March 2014. Quarterly Census of Employment and Wages.

BW Research Partnership for AEEI, 2016, Advanced Energy Jobs in California: Results of the 2016 California Advanced Energy Employment Survey, p. 6. http://info.aee.net/hubfs/PDF/california-jobs-report-2016.pdf?t=1494017610003

Cadmus Group, April 15, 2013. 2010-2012 PG&E and SCE Multifamily Property Owners and Managers General Population Survey Study, http://www.calmac.org/publications/Multifamily_Property_Owners_and_Managers_GEN_POP_FINAL_130415.pdf

California Assembly Bill 758, Existing Building Energy Efficiency Action Plan, p. 9.

California Commercial End-Use Survey, 2006. http://www.energy.ca.gov/2006publications/CEC-400-2006-005/CEC-400-2006-005.pdf.

California Employment Development Department, September 2016. Labor Force and Unemployment Rate for Cities and Census Designated Places. http://www.labormarketinfo.edd.ca.gov/data/laborforce-and-unemployment-for-cities-and-census-areas.html.

California Energy Commission. January 1, 2017. 2016 Building Energy Efficiency Standards Frequently Asked Questions. http://www.energy.ca.gov/title24/2016standards/rulemaking/documents/2016_Building_Energy_Efficiency_Standards_FAQ.pdf

California Energy Commission, Existing Buildings Energy Efficiency Action Plan, p. 54 (2015). http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN206015_20150904T153548_Existing_Buildings_Energy_Efficiency_Action_Plan.pdf.

California Energy Efficiency Coordinating Committee Meeting. October 19, 2016. http://media.wix.com/ugd/0c9650_97057b736aa74db19767a0c9cfc2dba9.pdf.

"California Energy Efficiency Strategic Plan: January 2011 Update," California Public Utilities Commission and California Energy Commission. http://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=5303

"California Existing Buildings Energy Efficiency Action Plan," California Energy Commission (CEC-400-2015-013-F), September 2015. http://docketpublic.energy.ca.gov/PublicDocuments/15-IEPR-05/TN206015_20150904T153548_Existing_Buildings_Energy_Efficiency_Action_Plan.pdf.

California Housing Partnership Corporation. April 5, 2011. Improving California's Multifamily Buildings: Opportunities and Recommendations for Green Retrofit & Rehab Programs. http://chpc.net/wp-content/uploads/2015/11/26-MFHERCC_Multifamily-Program-Design_Final_04112022.pdf.

California Public Utilities Commission. July 2013. Energy Efficiency Policy Manual, Version 5. http://www.cpuc.ca.gov/uploadedFiles/CPUC_Public_Website/Content/Utilities_and_Industries/Energy_-_Electricity_and_Natural_Gas/EEPolicyManualV5forPDF.pdf

California Public Utilities Commission. December 2016. California Existing Buildings Energy Efficiency Action Plan: 2016 Existing Buildings Energy Efficiency Plan Update. http://docketpublic.energy.ca.gov/PublicDocuments/16-EBP-01/TN214801_20161214T155117_Existing_Building_Energy_Efficency_Plan_Update_Deceber_2016_Thi.pdf

California Public Utilities Commission and California Energy Commission. New Residential Zero Net Energy Action Plan 2015-2020. http://www.californiaznehomes.com/http://californiaznehomes.epaperflip.com/v/New-Residential-ZNEAction-Plan-2015-2020.

California Public Utilities Commission. July 15, 2013. Statewide Energy Savings Assistance Program Policy & Procedures Manual p. 14-15. http://www.cpuc.ca.gov/WorkArea/DownloadAsset.aspx?id=12607

California Public Utilities Commission. November 2, 2016. Assigned Commissioner and Administrative Law Judge's Ruling and Amended Scoping Memorandum at 10. http://docs.cpuc.ca.gov/PublishedDocs/Efile/G000/M169/K116/169116102.PDF

California Public Utilities Commission. October 22, 2015. Decision 15-10-028: Decision Re Energy Efficiency Goals for 2016 and Beyond and Energy Efficiency Rolling Portfolio Mechanics.
http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M155/K511/155511942.pdf

California Public Utilities Commission. December 16, 2010. "Decision Addressing Petition For Modification Of Decision 09-09-047," Decision 10-12-054.

California Public Utilities Commission. October 1, 2009. "Decision Approving 2010 to 2012 Energy Efficiency Portfolios and Budget," Decision 09-09-047.

California Public Utilities Commission. April 21, 2010. "Decision Determining Evaluation, Measurement and Verification processes for 2010 through 2012 Energy Efficiency Portfolios," Decision 10-04-029.

California Public Utilities Commission. October 16, 2014. "Decision Establishing Energy Efficiency Savings Goals And Approving 2015 Energy Efficiency Programs And Budgets (Concludes Phase I Of R.13-11-005)," Decision 14-10-046.
http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M129/K228/129228024.pdf

California Public Utilities Commission. August 18, 2016. "Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plans," California Public Utilities Commission, Decision 16-08-019, p. 2.
http://docs.cpuc.ca.gov/PublishedDocs/Published/G000/M166/K232/166232537.PDF

California Senate Bill 350. Clean Energy and Pollution Reduction Act of 2015.
https://leginfo.legislature.ca.gov/faces/billNavClient.xhtml?bill_id=201520160SB350

California State University System, 2014 Capital Renewal Annual Report, Sightlines, 2014, p. 12.

Carliner, Michael. December 2013. Reducing Energy Costs in Rental Housing: The Need and the Potential. Joint Center for Housing Studies of Harvard University, Research Brief 13–2. http://www.jchs.harvard.edu/sites/jchs.harvard.edu/files/carliner_research_brief_0.pdf

Chain Store Age. December 22, 2014. Five Trends That Will Impact Supermarket Retailers in 2015. http://www.chainstoreage.com/article/five-trends-will-impact-supermarket-retailers-2015

County of San Diego Crop Statistics & Annual Report. 2014.
http://www.sandiegocounty.gov/content/dam/sdc/awm/docs/Crop%20Report-Final.pdf

DNV GL. March 1, 2016. Impact Evaluation of 2013-14 Upstream HVAC Programs (HVAC1). Prepared for the California Public Utilities Commission. http://www.energydataweb.com/cpucFiles/pdaDocs/1456/HVAC1ImpactReportDraft%20Final%20030116.pdf

The Donald Vial Center On Employment In The Green Economy, Institute for Research on Labor and Employment, University of California, Berkeley, 2011. California Workforce Education & Training Needs Assessment: For Energy Efficiency, Distributed Generation, and Demand Response, p. 214.

The Donald Vial Center on Employment in the Green Economy, Institute for Research on Labor and Employment, University of California, Berkeley, 2014. Workforce Issues and Energy Efficiency Programs: A Plan for California's Utilities, p. 2. http://laborcenter.berkeley.edu/pdf/2014/WET-Plan-Executive-Summary14.pdf.

The Donald Vial Center On Employment In The Green Economy, Institute for Research on Labor and Employment, University of California, Berkeley. 2013. Proposition 39: Jobs and Training for California's Workforce. p. 17. http://laborcenter.berkeley.edu/pdf/2013/prop39_jobs_training.pdf.

The Donald Vial Center On Employment In The Green Economy, Institute for Research on Labor and Employment, University of California, Berkeley, 2011. California Workforce Education & Training Needs Assessment: For Energy Efficiency, Distributed Generation, and Demand Response, Appendix 1. http://laborcenter.berkeley.edu/pdf/2011/WET_Part2.pdf.

ECONorthwest. February 15, 2008. Process Evaluation of the SDG&E 2006- 08 Residential Customer Programs. http://www.calmac.org/publications/SDG%26E_Res_Report_Final,_021508.pdf

EMI Consulting. April 30, 2015. CA HVAC Contractor and Technician Behavior Study, Phase II. Prepared for Southern California Edison. http://www.performancealliance.org/Portals/4/Documents/HVAC%20Research/Contractor%20TechnicianBehaviorStudy-Phase2-EMIConsulting-2015-04.pdf

Energy and Environmental Economics, Inc. August 1, 2016. Avoided Costs 2016 Interim Update, pp. 41-44. http://www.energydataweb.com/cpucFiles/pdaDocs/1591/Avoided%20Cost%202016%20Update-OUT.pdf.

Energy Consumption Data Management System, 2014. CEC. http://www.ecdms.energy.ca.gov/elecbyutil.aspx. http://ecdms.energy.ca.gov/elecbyplan.aspx, http://ecdms.energy.ca.gov/gasbyplan.aspx, SDG&E EE Program Data, 2013-2015

Environmental Protection Agency. September 3, 2014. Upgrading Tenant Spaces, EPA 430-B-94-001B.
http://www.toollending.com/Financial-Analysis-9-3-2014/Upgrading_Tenant_Spaces.pdf

E Source. 2011. Office Building Sector Snapshot, p. 10.

E Source. 2012. Efficiency Beyond Widgets: Residential Behavioral Program Options.
https://www.esource.com/members/RES-RB-46/Research-Brief/Behavior-Change

E Source. September 2013. Strategic Energy Management Programs: Tapping Large Customers for Deep and Continuous Energy Savings.

E Source. 2013. Small Business Direct Install Benchmark Study.
https://www.esource.com/members/EDRP-F-48/Focus-Report/Small-Business-Direct-Install.

E Source. 2014. Using Online Rebate Processing to Improve DSM Program Performance, p. 2.

E Source. June 10, 2015. Top Utility Industry Trends to Keep an Eye on in 2015.
https://www.esource.com/email/ENEWS/2015/Trends

Evergreen Economics and Navigant Consulting. July 2013. Program Assessment Study: Local Government Partnership Programs.
http://www.energydataweb.com/cpucFiles/pdaDocs/971/Local%20Government%20Partnership%20Programs-%202010-2012.pdf.

Evergreen Economics, SDG&E Agricultural Sector Market Study, March 26, 2015.
http://www.calmac.org/publications/SDG%26E_Agricultural_Sector_Market_Study_Final_Report_032615ES.pdf

Forbes. 2014. The Best Places To Launch A Startup In 2014.
http://www.forbes.com/sites/tompost/2014/03/13/the-best-places-to-launch-a-startup-in-2014/#4fb48e10359c.

Government Finance Review, February 2003, Financing Energy Efficiency Projects.
https://www.questia.com/magazine/1G1-97651025/financing-energy-efficiency-projects

Harcourt, Brown, and Carey. July 8, 2011. Energy Efficiency Financing in California Needs and Gaps: Preliminary Assessment and Recommendations. Prepared for the California Public Utilities Commission. http://www.harcourtbrown.com/wp-content/uploads/CPUC_FinancingReport_HBC_Jul8v2.pdf.

2015 IEPR Electric and Natural Gas Demand Forecast, mid demand case.

"Interim opinion: Energy Efficiency Portfolio Plans and Program Funding levels for 2006 - 2008, Phase 1 issues," Decision 05-09-043, September 22, 2005 at 149, n. 150.

International Performance Measurement and Verification Protocol. http://evo-world.org/en.

Johnston, Warren E. and Harold O. Carter. July 1, 2000. Structural adjustment, resources, global economy to challenge California agriculture. California Agriculture. http://californiaagriculture.ucanr.edu/landingpage.cfm?article=ca.v054n04p16&fulltext=yes

KEMA. February 2012. Industrial Sectors Market Characterization: Chemicals Industry. Prepared for Pacific Gas & Electric Company and Southern California Edison Company. http://calmac.org/publications/Final_Industrial_Sector_Market_Characterization_Chemicals_Report.pdf

Measure, Application, Segment, Industry (MASI): Agriculture, Navigant Consulting for Southern California Edison, 2015, p. 43.

Natural Resources Defense Council. April 2015. Plug-In Equipment Efficiency: A Key Strategy to Help Achieve California's Carbon Reduction and Clean Energy Goals, NRDC Issue Brief, IB 15-02-D. https://www.nrdc.org/sites/default/files/home-idle-load-plug-in-efficiency-IB.pdf

Navigant Consulting, Inc. 2015. Energy Efficiency Potential and Goals Study for 2015 and Beyond. Prepared for the California Public Utility Commission. Final September 25, 2015. http://www.cpuc.ca.gov/General.aspx?id=2013

Opinion Dynamics Corporation. 2006 – 2008 Indirect Impact Evaluation of the Statewide Energy Efficiency Education and Training Program. http://www.calmac.org/publications/06-08_ Statewide_Education_and_Training_Impact_Eval_Vol_I_FINAL.pdf.

Opinion Dynamics Corporation. 2010. Indirect Impact Evaluation of the Statewide Energy Efficiency Education and Training Program Report, p. 2. http://www.calmac.org/publications/06-08_ Statewide_Education_and_Training_Impact_Eval_Vol_I_FINAL.pdf.

Opinion Dynamics Corporation. June 2014. 2013-2014 Statewide WE&T Program, Program Theory and Logic Model Update; Centergies Data Needs; And Critical WE&T Data Needs, p. 2. http://www.calmac.org/publications/2013-2014_WET_PTLM_and_Critical_Data_Gap_AssessmentES.pdf

Opinion Dynamics Corporation. January 29, 2016. PY 2013-2014 Local Government Partnerships Value and Effectiveness Study Final Report, p. 34. http://www.calmac.org/publications/2013-2014_Local_Government_Partnerships_Study_Report_Final_2016_1_29.pdf

Opinion Dynamics Corporation. June 2016. PY2013-2014 California Statewide Workforce Education and Training Program, Contractor Training Market Characterization, p. 7-8. http://www.energydataweb.com/cpucFiles/pdaDocs/1631/CPUC%20WET%20Contractor%20Training%20Market%20Characterization_FINAL_V5.docx.

"Order Instituting Rulemaking to Establish Policies and Cost Recovery Mechanisms for Generation Procurement and Renewable Resource Development," California Public Utilities Commission, Decision 02-08-071, October 25, 2001 at 25.

"Order Instituting Rulemaking to Integrate Procurement Policies and Consider Long-Term Procurement Plans," California Public Utilities Commission, Decision 07-12-052, February 16, 2006 at 127-128.

"Order Instituting Rulemaking to Promote Policy and Program Coordination and Integration in Electric Utility Resource Planning," California Public Utilities Commission, Decision 04-12-048, April 1, 2004 at 136.

San Diego Regional Economic Development Corporation. http://www.sandiegobusiness.org/industry/manufacturing

San Diego Workforce Partnership. October 2014. Clean Energy: Labor Market Analysis San Diego County. http://workforce.org/sites/default/files/pdfs/reports/industry/clean_energy_2014_0.pdf.

SBW Consulting Inc. December 31, 2013. 2010–2012 PG&E Whole House Retrofit Program Phase II Process Evaluation Study– Methods and Findings– PGE0302.06. http://www.calmac.org/publications/2010-2012_PG%26E_Whole_House_Retrofit_Program_Phase_II_Process_Evaluation_Study_Volume_2.pdf

SDG&E Agricultural Customer Distribution (2013-2015).

SDG&E Customer Insight Panel. 2012.

SDG&E Industrial Account Distribution & Customer Segmentation (2013-2015)

SDG&E 2010-2011 Non-Residential Program Process Evaluation Study: Main Volume (SDG0256.01-.05 or WO1025), March 19, 2012.

Shelton Communications Group. 2015. Smart Home Strategies for Utilities: Five Reasons You Should Get in the Game. https://www.usgbcflorida.org/resources/Documents/Regions/NE/Solar/SmartHomeStrategiesForUtilities_SpecialReportEnergyPulse2015.pdf

Southern California Multifamily Program Process Evaluation. 2014-15. February 28, 2017. http://www.calmac.org/publications/SoCal_Multifamily_Process_Eval_2014-15_Vol_1_-_FINAL.pdf

University of California Cooperative Extension, San Diego County Farm & Home Advisor. San Diego County Agricultural Directory & Guidelines For Agricultural Enterprises. November 2006. http://cesandiego.ucdavis.edu/files/54278.pdf

U.S. Department of Energy. Better Building Alliance, https://betterbuildingsinitiative.energy.gov/alliance

U.S. Environmental Protection Agency, 2016. Customer Incentives for Energy Efficiency through Program Offerings, p. 6. https//www.epa.gov/sites/production/files/2015-08/documents/program_incentives.pdf.

U.S. Green Building Council. February 10, 2015. The Business Case for Green Building. http://www.usgbc.org/articles/business-case-green-building

Utility Dive. December 14, 2016. Marijuana growers are seeing the (LED) light on energy efficiency. http://www.utilitydive.com/news/marijuana-growers-are-seeing-the-led-light-on-energyefficiency/431991/.

Wallner, et al. 2015. More than High Efficiency Motors Market Transformation for Industrial SEM. ACEEE Summer Study. http://aceee.org/files/proceedings/2015/data/papers/1-37.pdf.

Wikler et al. 2015. Measure, Application, Segment, Industry (MASI): Finding the Remaining Energy Efficiency Potential through Market Assessment, ACEEE Summer Study. http://aceee.org/files/proceedings/2015/data/papers/5-179.pdf

Western HVAC Performance Alliance. July 13, 2016. Recommendations to Operationalize Employer Support for the HVAC Sector Strategy. http://www.performancealliance.org/Portals/4/Documents/Work%20Product/Recommendations%20to%20Operationalize%20Empoyer%20Support.pdf

EXHIBIT C

SDG&E EE Programs Solicitation Strategy

2017

		Q1 Sector / Program Area	Q1 Budget	Q2 Sector / Program Area	Q2 Budget	Q3 Sector / Program Area	Q3 Budget	Q4 Sector / Program Area	Q4 Budget
Statewide Programs	Lead								
Statewide Programs	Non-Lead							[SCE] Commercial / New Construction-Savings By Design	$3M - $4M
Local Sector				[TARGETED] Industrial / Strategic Energy Management*	$.5 - $1M				
Local Sector				[TARGETED] AB793 Solicitation (Resolution Mandate)	TBD				

2018

		Q1 Sector / Program Area	Q1 Budget	Q2 Sector / Program Area	Q2 Budget	Q3 Sector / Program Area	Q3 Budget	Q4 Sector / Program Area	Q4 Budget
Statewide Programs	Lead	[SW Lead] Commercial / Upstream-Midstream HVAC	$1.5M - $2.3M						
Statewide Programs	Lead	[SW Lead] Residential / Upstream-Midstream HVAC	$75K - $90K						
Statewide Programs	Lead	[SW Lead] Plug Load and Appliances	$5M - $5.5M						
Statewide Programs	Non-Lead	[So Cal Gas] Commerical / Food Service Point-of-Sale	$300 - $400K						
Statewide Programs	Non-Lead	[PG&E] WE&T Career and Workforce Readiness	$150K - $200K						
Statewide Programs	Non-Lead	[PG&E] WE&T Connections	$490K - $52						
Statewide Programs	Non-Lead	[SCE] Residential / Primary Lighting (1 yr)	$490K - $520K						
Local Sector		[SDG&E Open] Commercial / Small-Medium Business / DI	$13M - $15M			[SDG&E OPEN] Commercial - Concierge Property Management	$300K - $500K		
Local Sector		[SDG&E OPEN] WE&T	$125K - $			[SDG&E] IDEEA 365 - Innovative Round	$700K -$1M		

2019

		Q1 Sector / Program Area	Q1 Budget	Q2 Sector / Program Area	Q2 Budget	Q3 Sector / Program Area	Q3 Budget	Q4 Sector / Program Area	Q4 Budget
Statewide Programs	Lead	[SW Lead] Residential HVAC QI/QM	$450K - $500K						
Statewide Programs	Non-Lead	[So Cal Gas] Residential / New Construction	$1.3M - $1.5M						
Local Sector		[OPEN] Residential/ EUC, Behavioral, CMPH	$13M - $14.7M			[Open] Residential/ Lighting	$1.5M - $2.0M	[SDG&E] IDEEA 365 - Innovative Round	$700K -$1M
Local Sector		[OPEN] Agriculture	$700K - $						
Local Sector		[OPEN] Industrial	$3M -						
Local Sector		[SDG&E] Commercial / Core Commercial Programs	$9M - $10M						

2020 (target >= 60% portfolio budget bid out)

		Q1 Sector / Program Area	Q1 Budget	Q2 Sector / Program Area	Q2 Budget	Q3 Sector / Program Area	Q3 Budget	Q4 Sector / Program Area	Q4 Budget
Statewide Programs	Lead								
Statewide Programs	Non-Lead								
Local Sector						[SDG&E] IDEEA 364 - Innovative Round	$700K -$1M		

KEY

- Local Programs
- SW Programs, SDG&E Lead Administrator
- IDEEA 365, Innovative Round
- SW Programs, SDG&E funding PA

Notes

→ SDG&E received Commission approval for the targeted SEM solicitation scheduled for June 2017 release.

→ SDG&E has updated its phased solicitation timeline and schedule in accordance with the regulatory schedule detailed in the Scoping Memo dated April 14, 2017. Given the earliest date for a final decision is estimated to be October 2017, SDG&E does not intend to issue solicitations in Q3 2017 or Q4 2017. It is anticipated that SDG&E will begin solicitation releases in Q1 of 2018. However, please note that this schedule is subject to change. The changes in the schedule will be further updated in the revised solicitation strategy, to be filed on June 14, 2017.

→ Budget ranges shown include those budgets for SDG&E local/core programs. The budgets shown for the SW Programs where SDG&E is a funding PA are approximate and subject to change.

→ Contract ranges may vary once we contract with 3Ps.

→ SDG&E intends to submit competitive solicitations for energy efficiency products and services that will meet the needs and opportunities in the service territory. It is important to note that these opportunities will be expressed in terms of energy savings and opportunities rather than in the utility spend. SDG&E will provide further detail on the anticipated spend in the revised solicitation strategy to be filed on June 14, 2017.

→ For purposes of illustration, SDG&E has included all statewide solicitations scheduled, including those for the other lead PA's. These timelines are based on the representation of the schedules from the other IOU business plan filings, and of course, may be subject to change.

→ SDG&E anticipates ongoing and refresh solicitations in local and core programs in 2020, as stated in the Business Plan.

Solicitation Strategy Considerations

→

→ As is noted in the Business Plan (pg. 23), SDG&E proposed its original phased approach acknowledging the need to prevent cusomer and market disruption, as well as considering to provide time for third-parties to develop concepts for programs and program design, and to allow them time to participate in the many solicitations that will be running simultaneously. SDG&E is working with the other IOUs to coordinate and determine possible synergies and consistency in RFP development and release at all levels.