

Southern California Edison
SCE EE Business Plan A.17-01-013

DATA REQUEST SET A.17-01-013-ORA-SCE-001

To: ORA

Prepared by: Robert Brunn

Title: Senior Project Manager

Dated: 03/01/2017

Question 27:

How did you forecast your administrative costs? Please provide any models, documents and analysis used.

Response to Question 27:

SCE's EE budget provided in the Business Plan, including the administrative component, was developed to reflect labor and non-labor costs associated with managing and delivering the EE portfolio. The administrative budget includes scope of work associated with, but not limited to, portfolio management, contract oversight, regulatory reporting, internal management controls, and overhead costs. These administrative costs align with the allowable cost definition provided by the Commission in D.09-09-047, D.12-11-015, and the Energy Efficiency Policy Manual Version 5.

When estimating 2018-2020 administrative costs, SCE used its 2017 budget proposed in Advice Letter 3465-E as the base year with updated avoided costs and optimized the portfolio based on known conditions (such as expiring measures, increased areas of potential savings, existing program costs, legislative impacts). SCE also relied on historical knowledge and expertise from program staff on future viability of existing programs. SCE has attached for reference the 2018, 2019, and 2020 Cost-effectiveness Tool (CET) output files used in modeling administrative cost for those years along with workbook Appendix C used to estimate costs based on increase or decrease in annuals goals for 2019-2025.