

SOUTHERN CALIFORNIA GAS COMPANY ABAL PRESENTATION

Darren Hanway | August 6, 2020


Our Commitment to Energy Efficiency

In the Last Five Years SoCalGas Has:


- » Saved Over 208 Million Therms
 - Reduced CO2 emissions by over 1,100,000 metric tons
 - Removing 238,000 passenger cars from the road
 - Saving enough energy to fuel more than 127,000 homes annually
- » Saved Customers Roughly \$229 Million in annual bill savings



SoCalGas Vision and Strategy



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

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

SoCalGas' 2021 Budget & Cost-effectiveness



Cost Effectiveness Results

TRC – 1.15

PAC – 1.48

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

PA PY FORECAST ENERGY SAVINGS

Sector	Program Year (2021) Budget (\$000's)	PA forecast		
		GWh	MW	therms (MM)
Residential	\$43,390	7.81	1.03	13.41
Commercial	\$23,691	2.45	0.59	3.94
Industrial	\$12,634	-	-	4.46
Agriculture	\$4,619	0.07	-	1.03
Emerging Tech	\$1,494	-	-	-
Public	\$9,148	(0.00)	(0.00)	1.61
WE&T	\$4,008	-	-	-
Finance	\$650	-	-	-
OBF Loan Pool	\$0	-	-	-
IOU Subtotal	\$99,634	10.33	1.62	24.45
IOU Total Program Savings (w/out C&S)		10.33	1.62	24.45
				CPUC Program Savings Goal
				Forecast savings as % of CPUC Program Savings Goal
Codes and Standards	\$2,140			14.00
				175%
				21.12
IOU EM&V	\$4,446			
IOU PY Spending Budget Request¹	\$106,220			
(LESS) IOU Uncommitted and Unspent Carryover Balance²				
IOU PY Budget Recovery Request³	\$106,220			
IOU Authorized PY Budget Cap (D.18-05-041)	\$106,195			
IOU Forecast PY TRC	1.15			
IOU Forecast PY PAC	1.48			

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

Challenges in 2021

- Uncertainty of effectiveness of new program designs
- Increased uncertainty due to COVID-19
- Balance all portfolio objectives

Improvements in 2021

- Continued optimization and innovation of programs and processes
- Virtual customer engagement strategies
- Continued focus on Disadvantaged Communities and Hard-to-Reach customers
- Expanded Program Partnerships with Municipal and Water Utilities, Agencies (e.g. AQMD, CEC)
- Continuing with Local Government Partnerships (LGP's), while consolidating some LGP's into existing Regional Partnerships with a focus on increasing cost effectiveness of partnerships, while better serving all segments of Public Sector customers within those Regional Partnerships.
- Introduction of new EE measures

Proposed Program Updates



Closures	Reductions	Additions
<ul style="list-style-type: none">• Programs replaced by Statewide offerings<ul style="list-style-type: none">• e.g. Res – Plug Load and Appliances• Programs replaced by local solicitations<ul style="list-style-type: none">• e.g. Res – Direct Install• Program consolidations<ul style="list-style-type: none">• e.g. Public Sector North Orange County Cities Partnership into Orange County Regional Partnership	<ul style="list-style-type: none">• Programs to bridge the gap before newly solicited programs are onboarded<ul style="list-style-type: none">• e.g. Res – manufactured homes• Shifting budget from programs that are less cost-effective<ul style="list-style-type: none">• e.g. Res – EE Kits	<ul style="list-style-type: none">• Programs procured through solicitation process<ul style="list-style-type: none">• e.g. Res – SF Solicitation, Com – Sm/Med Solicitation



SOLICITATION PLAN



PHASE I

PHASE II

PHASE III

Timing: 2018 – 2020

Goal: 26.88% by September 2020

Segments: Local Programs

Status: 4 Total Solicitations in negotiation phase. Several contracts executed.

Timing: 2019 – 2021

Goal: 41.34% by December 2020

Segments: Local Programs & SoCalGas led SW Programs

Status: 6 Total Solicitations in Progress

Timing: 2021 – 2022

Goal: 60% by December 2022

Segments: Remaining Solicitations

Status: # of Solicitations TBD, RFA Releases by Q2 2021

SoCalGas-led Statewide Programs



Statewide Program*	Lead IOU	2021 Program Budget (Total for all contributing IOUs)**	2022 Program Budget (Total for all contributing IOUs)**	Maximum Annual Program Budget (Total for all contributing IOUs)****	Expected or Actual Launch Date (MM/YYYY)***	Percent Electric	Combined (Electric & Gas) Proportional Contribution per Load-Share (Target share. Actual funding may be within +/-20%)			
							PG&E	SDG&E	SCE	SCG
ETP, gas	SCG	\$ 3,000,000	\$3,000,000	\$ 3,000,000	Jul-2021	0%	50.40%	7.80%	0.00%	41.80%
Food Service POS		\$ 8,836,824	\$12,230,002	\$ 14,602,441	Apr-2021	40%	48.00%	10.88%	16.04%	25.08%
Midstream Comm Water Heating		\$ 10,346,923	\$10,349,564	\$ 10,440,941	Apr-2021	40%	48.00%	10.88%	16.04%	25.08%

Anticipated Changes from 8/6 to 9/1 Filing



- » Optimize the Portfolio based on feedback from today's presentation and information from contract negotiations, including non-SoCalGas statewide programs.
- » Minor adjustments to measures and programs within the portfolio from further optimization
- » Edits to draft Advice letter language to reflect changes and other reviews
- » May revise program closure list
- » All budget and savings inputs may be changed during the final quality control and review process before final filing



Thank You!

