Southern California Gas Company

Implementation Plan

Dynamic Actionable Customer Feedback

Prepared by Oracle America, Inc. on behalf of Southern California Gas Company

February 2022

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1. Program Budget and Savings Information

1. Program and/or Sub-Program Name

Program: RES-Behavioral Program

Sub-Program: Dynamic Actionable Customer Feedback (DACF)

2. Program and/or Sub-Program ID Number

Program: SCG3824

3. Program and/or Sub-Program Budget Table

Treatment waves

The Dynamic Actionable Customer Feedback (DACF) Home Energy Reports (HERs) will be available to the following treatment customers.

Wave	Treatment Customers (November 2021, estimated)
Wave 1	113,900
Wave 2	86,508
Wave 4	115,160
Wave 5	199,892
Wave 7	395,829
Wave 10	88,092
Wave 13	125,439
Total	**1,124,819**

Cost Category*	2021	2022	2023	2024	Total	% of Total Budget
Administration	$33,333	$200,000	$200,000	$166,667	$600,000	7%
Direct Implementation - Non-Incentive (P4P)	$435,334	$2,612,000	$2,612,000	$2,176,666	$7,836,000	93%
Total Budget	$468,667	$2,812,000	$2,812,000	$2,343,333	$8,436,000	**100%**

4. **Program and/or Sub-Program Gross Impacts Table**

First Year Annualized Deliverable	2021 (Nov-Dec)	2022 (Jan-Dec)	2023 (Jan-Dec)	2024 (Jan-Oct)	Total (36 months)
Gross Therm Savings	2,070,000	8,965,500	8,815,500	6,699,000	26,550,000
Net Therm Savings	2,070,000	8,965,500	8,815,500	6,699,000	26,550,000
Total System Benefit (TSB)	$2,223,598	$9,271,941	$8,842,022	$6,597,267	$26,934,828
Cost-Effectiveness (TRC)	4.74	3.54	3.63	3.49	3.63
Cost-Effectiveness (PAC)	4.74	3.54	3.63	3.49	3.63

5. **Program and/or Sub-Program Cost-Effectiveness (TRC)**

   3.63

6. **Program and/or Sub-Program Cost-Effectiveness (PAC)**

   3.63

7. **Type of Program and/or Sub-Program Implementer**

Program Implementer	
PA-delivered	☐
Third Party-Delivered	☒
Partnership	☐

8. **Market Sector**

Business Plan Sector	Yes
Residential	☒
Commercial	☐
Industrial	☐
Agricultural	☐
Public	☐
Cross-Cutting	☐

9. **Program and/or Sub-Program Type**

Program Type	
Resource	☒
Non-Resource	☐

10. **Market Channels and Intervention Strategies:**

Market Channels	
Upstream	☐
Midstream	☐
Downstream	☒
Intervention Strategies	
Direct Install	☐
Incentive	☐
Finance	☐
Audit	☐
Technical Assistance	☐
Other: Behavior	☒

2. Implementation Plan Narrative

1. Program Description

The DACF program will run from November 2021 through the end of October 2024. The program delivers Home Energy Reports (HERs) to residential customers using Oracle's Opower software platform that combines customer-level gas usage data with additional customer attributes to deliver personalized, actionable insights to customers that motivate energy saving behaviors. In accordance with the minimum definition of behavioral programs established by the CPUC, DACF employs comparative energy usage and disclosure, ex post measurement, and experimental design, in addition to a variety of other behavior intervention strategies to empower customers to manage and lower their household gas consumption. HERs provide customers with normative comparisons, benchmarking of their gas usage and tailored energy saving tips on how to save natural gas, including no-cost and/or low-cost actions, as well as promotion of other relevant programs in the portfolio. The program's customer engagement motivates non-rebated behavior change that will be measured via randomized controlled trial (RCT) using actual customer energy use meter data to validate savings and demonstrate attribution. The

program will deliver highly cost-effective claimable savings while enhancing customer sentiment by helping customers manage their energy use, to make more efficient purchasing decisions, and to take actions that lower their energy use and bills.

2. **Program Delivery and Customer Services**

All components of the DACF program are implemented using a RCT. RCT is a type of experimental design in which members of an eligible population are randomly assigned to either a treatment group or a control group. The program intervention (HERs) is then provided only to the treatment group. Savings are measured by calculating the difference in usage between the two groups using lagged dependent variable methodology (See the: Evaluation, Measurement, and Verification (EM&V) section for additional details on RCT).

Selected program participants are enrolled in the DACF program via an "opt-out" methodology, so the marketing and outreach plan defines the program design for communicating with those selected customers with the explicit goal of driving energy savings and increasing customer engagement.

Once target customer groups and experiences are chosen, Oracle will collaborate with SoCalGas to make individual customer experiences consistent across channels, and to verify the marketing of the right SoCalGas customer products at the right times across channels. Oracle's targeted marketing modules, personalized data modules, and personalized tips will act as triggers that, when delivered at the right times using Oracle's data analytics and machine learning capabilities, will either motivate consumers to take action or provide the tools to take action. Different triggers can encourage different actions, but all are aimed at changing consumer energy behavior.

Below is a description of each of the components/services provided within DACF:

Home Energy Reports

HERs are user-friendly print and e-mail communications that provide personalized information to customers about their energy use. HERs include a neighbor comparison, energy history information, tips, and marketing modules. The goals of this communication are to give customers actionable insights about their energy and motivate them to lower their gas usage.

Existing HERs modules are updated at least monthly and new modules are continuously added, which SoCalGas will be notified of in product release notes and also by the Oracle delivery team. Similarly, tips are regularly updated to reflect new energy efficiency learning and trends, and entirely new tips are often added to the program. Tips are tailored for the customer based upon characteristics of each customer's home and usage. Tip savings estimates are also personalized for each customer based on their energy usage. Updates to tips are highlighted in product release notes and by the Oracle delivery team. SoCalGas can also make changes to tip content through the Tip Manager, located in the business intelligence tool ("Inside Opower"), also provided by Oracle in the DACF program. HERs include the following features:

- **Comparative Energy Use:** HERs will show customers how their energy use compares to that of nearby homes with similar characteristics such as home size, number of bedrooms, heating sources, and dwelling type.
- **Personal Tracker:** The Personal Tracker provides charts that display a historical view of the customer's usage-to-date with the goal of comparing the current year to the previous year.
- **Pre-Audit Home Profile:** The Pre-Audit Home Profile can be included in HERs for a customer who has not yet completed the mini customer survey. It is designed to show customers which of their

home attributes are unknown, and to encourage them to provide these attributes to receive a more personalized report.

- **Neighbor Trend**: The Neighbor Trend compares the customer ("You") to two groups: "Efficient Neighbors" and "Average Neighbors." The module displays data from up to a maximum of six historical bills on a line graph, with one line each for "You," "Efficient Neighbors," and "Average Neighbors." An evaluative statement compares the customer to one of the other neighbor groups for the period displayed in the chart. If the customer does not have any cost data for the period covered by the module, the normative message focuses on differences in usage instead of cost.
- **Heating Analysis Pie Chart**: The Heating Analysis Pie Chart displays the customer's estimated heating-related energy consumption from last season as a percentage of their total energy consumption. It is paired with a brief message that indicates their estimated heating costs. The goal of this module is to help customers better understand how they use energy during the heating season.
- **Customized Tips**: Actionable energy saving tips that are easy to follow and lead to energy saving actions or behaviors. The tips are comprised of an illustration, a small section of text describing a recommendation or action a customer can take to save energy, and the amount a customer can save if they complete the tip.

3. <u>**Program Design and Best Practices**</u>

Program Design and Customer Selection

As a best practice, learnings from Oracle's existing HERs program are being applied to maximize for cost effective savings. The DACF program will use an RCT methodology to compare participants in the program to a control group's consumption and savings over time. The RCT approach complies with CPUC requirements and behavioral program evaluation best practices.

Nexant, an independent evaluator, will estimate using a lagged dependent variable model. This model will include annual or seasonal energy consumption for treatment and control group customers and it will estimate using consumption data from the pre-treatment period and post-treatment period. The analysis database will include individual monthly therms consumption data for each customer in the control and treatment group. The regression specification is below, followed by definitions for each term.

Equation: Lagged Dependent Variable Model Specification

$$therms_{it} = a + b_t + c_t \cdot treatment_i + d \cdot pretreatment\_therms_{it} + e_t \cdot pretreatment\_therms_i + \varepsilon_{it}$$

Table: Lagged Dependent Variable Model Definitions

Variable	Definition
$therms_{it}$	Customer i's usage in month t.
a	The estimated constant for energy consumption (average for all customers in all periods).
b_t	The estimated coefficient for the month and year indicator variable.

c_t	The estimated coefficient for the month and year indicator variable for treatment customers. This is the treatment effect for the particular month t.
$treatment_i$	The treatment indicator variable for customer i. Equal to 1 for treatment customers and 0 otherwise.
d	The estimated coefficient for pretreatment consumption.
$pretreatment\_therms_{it}$	Pretreatment usage for customer i for month t. Pretreatment consumption for a particular month in the post treatment period refers to the same calendar month in the pretreatment period.
e_t	The estimated coefficient on pretreatment consumption for a particular month t.
ε_{it}	The error term.

This specification applies to all waves, with some indicator variables set to zero for some waves. In other words, the particular months included in the model vary by wave. In each case, the estimation included one year of pre-treatment and one year of post-treatment natural gas consumption data for each customer. Standard errors were estimated allowing for arbitrary correlation among errors within each customer's data.

The impacts for DACF will be estimated separately for each wave (a unique regression equation will be used for each wave). Season-specific savings will be estimated. In order to maintain comparability between treatment and control groups, opt-outs (that is, customers assigned to treatment groups that request to be removed from receiving the reports) will be retained in the treatment groups throughout the course of the entire year. Two reasons underlie this decision. First, because the experiment uses an opt-out delivery design (in which households in the treatment receive the reports without requesting them), households that subsequently opt out of receiving the reports will receive at least one report before they dropped out. So, strictly speaking, they will be treated. Second, it is impossible to remove parties in the control group who opt out, because their identity is unknown. Removing opt-outs only from the treatment group without doing so for the control group would compromise the internal validity of the savings estimates. HERs are assumed not to affect the rate at which customers close their accounts due to moving or other reasons; this appears to be true since the attrition rate between treatment and control groups are virtually identical. Treatment and control customers who move out during the year are retained in each sample until their accounts close. This means that the population of interest grows smaller for both the control and treatment groups as time progresses.

The following unique program design elements will be implemented:

- Delivery schedules for printed HERs (either 2 or 4 printed HERs per year during gas season). Email HERs will be sent monthly.
- Communication channels for the HERs customer treatment groups include some customers receiving paper HERs as well as HERs delivered through electronic mail (eHERs), while other customers will receive only eHERs.
- Campaigns within waves to provide different experiences to customers within a wave.
- Customized energy efficiency recommendations for each delivery period.
- Information on available DSM programs, rebates, or other utility messaging.

Measurement and Reporting of outcomes

Once DACF communications have started going out to customers, there are a number of metrics which are measured and reported on a regular basis. Some of the KPIs reported include –number of reports sent – print and email, email engagement – clicks, customer satisfaction and opt-outs. See section 5 for more information on Quantitative Targets.

4. **Innovation**

Oracle is continuously improving its technology, marketing strategy, and delivery approach to optimize program outcomes. Oracle's HER 3.0 was reimagined to achieve a deeper connection with utility customers. Each report has a different layout selected specifically for its ability to tell the story the report is trying to convey, giving SoCalGas customers an experience that never feels stale. The report has a bold new design, including more color, bold type font, fewer words, and new ways of displaying energy related recommendations. The purpose of the new report is to influence millions of energy actions, making it easy for residential customers to interact with SoCalGas digitally and engage in the programs SoCalGas has to offer. SoCalGas will be migrated to HER 3.0 in late 2022.

Below is a description of DACF's primary areas of innovation:

- **New digital energy insights.** Previously, eHERs consisted of a neighbor comparison, insights, and tips. Today, Oracle eHERs include over a dozen new energy insight modules to engage customers in saving energy every month. eHERs now include heating comparisons, heating disaggregation, personalized audit promotions, personal usage tracking, and series of target efficiency rank modules that gamify the experience.

- **HER 3.0.** HER 3.0 provides a new, modernized experience with bold colors, a varied layout, and data-driven insights targeted to specific customer attributes. This includes concepts such as:

  - **Adaptive Intelligent Recommendations**. The "Ways to Save" Module provides a set of automatically selected energy savings tips that are prioritized based on each customer's unique attributes. This Module ensures that each tip is relevant to a customer's unique needs. The tips are continually refreshed with new information and are designed to cover a wide variety of energy-saving and financial investment categories
  - **Personalized Tip Savings.** The "Context-Aware Tips" Module helps a customer understand why they are being presented with a specific tip on their report. The Module includes a personalized tip insight that explains why the customer is presented with a specific tip based on their report. The tip content provides actionable and relevant information about the best ways for the customer to save energy.
  - **Promotion Report:** The Promotion Report offers customers personalized insights about specific end-uses in their home in order to motivate them to take advantage of a utility-offered promotion. The Promotion Report experience is determined by the report state and promotion type selected by SoCalGas. Oracle works with SoCalGas to select the promotion they wish to run based on available disaggregation insights.
  - **Announcement Report**: The Announcement Report makes a custom statement or announcement that has an impact on the customer's energy use and relates to the insights presented in the rest of the report. For example, it could be used to prepare customers for upcoming heating season. The report front is fully customizable and requires utilities to include customized context alongside the existing insights and predefined content in order to frame the report in the context to what the customer is experiencing.

- **Energy Use Benchmark:** The Energy Use Benchmark provides a dynamic and personalized, at-a-glance interpretation of the customer's energy use. Energy use is broken down into the three sections of a gauge: Fair, Good, and Great. The customer's status on that gauge is determined by their performance relative to both comparison points in the normative comparison. The Benchmark is typically used in context with the Efficiency Zone or Neighbor Comparison modules.
- **Explainer Module:** The Explainer module tells the customer what data is used to calculate the Efficiency Zone or Neighbor Comparison module.
- **User feedback module**: DACF will periodically include a user feedback module to solicit feedback from customers on the usefulness of their HERs.

5. **Metrics**

The following metrics will be reported **monthly**:

- Number of participants in the program;
- Number of opt outs and attrition;
- Number and percentage of participants in disadvantaged communities (if customer data classification is provided by Company); and
- Number and percentage of participants defined as "hard-to-reach" (if customer data classification is provided by Company)

The following metrics will be reported **quarterly**:

- Administrative activities
- Marketing activities
- Contractor's assessment of program performance and program status (is the program on target, exceeding expectations, or falling short of expectations, etc.)
- Discussion of changes in program emphasis (new program elements, less or more emphasis on a particular delivery strategy, program elements discontinued, etc.)
- Discussion of near-term plans for program over the coming months (i.e., marketing and outreach efforts, etc.)
- Discussion of customer satisfaction including customer survey results, customer complaints and resolution
- Changes to primary staffing and staff responsibilities, if any
- Changes to program contacts, if any
- Changes to subcontractors and subcontractor responsibilities, if any; and

The following metrics will be reported **annually**:

- **Program data**
  Program Costs (cost reported annually). Program costs will be itemized by CPUC cost categories of administration, marketing, and direct implementation (non-incentive). Also provided:
    - Program identification number as provided by the Company Representative
    - Program name
    - Total cumulative and annual contract authorized budget
    - Total cumulative and annual contract operating budget which may include any mid-course budget modifications (e.g., fund shifts)

- **Portfolio Benefit/Cost Metrics (Cumulative to Date and Annual)**

  The following will be provided based on the then-current version of the CPUC's Cost Effectiveness Tool (CET):

  - Total cost to bill payers (TRC)
  - Total savings to bill payers (TRC)
  - Net benefits to bill payers (TRC)
  - TRC Ratio
  - PAC Ratio
  - Levelized cost per therm (TRC)
  - Levelized cost per therm (PAC)
  - Total System Benefit (TSB)

In addition to above metrics, Oracle will use several important KPIs to track program progress. These KPIs will be the primary means of assessing the Program's performance on an ongoing basis with tracking of some KPIs on a monthly basis but development of a KPI score (multiplier * score) on a quarterly basis.

In general, the KPI ratings will be based on a 0 – 4 scale:

0 – Unsatisfactory

1 – Below expectations

2 – Meeting Expectations

3 – Exceeding Expectations

4 – Greatly exceeding expectations

%	KPI	SoCalGas Metric	Description	Scoring	Continuous Monitoring Mechanisms
40%	Performance: Goal Accomplishment (net therm savings)	S1: Energy Savings	Percentage of net annual and lifecycle energy savings achieved vs forecasted	0: < or equal to 70% 1: >70 – 90% 2: >90 – 110% 3: >110 – 130% 4: >130%	Monthly Reports
15%	Cost Effectiveness Alignment: TRC Calculation *If there are changes to the CET calculator, TRC forecast will be updated and KPI will be based on most recent forecast	LC: Cost Per Unit Saved	TRC – Actual vs. forecasted Difference: Actual Minus Forecasted	0: < or equal to (-0.4) 1: > (-0.4) – (-0.2) 2: > (-0.2) – (+0.2) 3: > (+0.2) – (+0.4) 4: > (+0.4)	Annual Reports

%	KPI	SoCalGas Metric	Description	Scoring	Continuous Monitoring Mechanisms
15%	Performance: Goal Accomplishment Cost Per Unit Saved *If there are changes to the CET calculator, Levelized PAC cost forecast will be updated and KPI will be based on most recent metric	LC: Cost Per Unit Saved	Levelized PAC Cost - Actual vs. forecasted Difference: Actual Minus Forecasted	0: > or equal to (0.4) 1: < (0.4) – (0.2) 2: < (0.2) – (-0.2) 3: < (-0.2) – (-0.4) 4: < (-0.4)	Annual Reports
20%	Service Delivery: Opt-Out Rate	N/A	Percentage of treatment customers who opted not to receive HERs in any channel. [Opt-Out Households] / [Treatment Households]	0: >4% 1: 3% - 3.99% 2: 2% - 2.99% 3: 1% - 1.99% 4: <0.99%	Monthly Reports
10%	Supply Chain Responsibility: DBE Spend		To date DBE spending as percent of total spend / DBE % commitment compared to agreed goal	0: < or equal to 70% 1: >70% – 90% 2: >90% – 110% 3: >110% – 130% 4: >130%	Annual Reports

- **Customer Satisfaction (CSAT)**: A digital Customer Engagement Tracker (CET) survey will be delivered to a subset of treatment and control customers at the end of each gas season. The survey will inform on the impact of the HERs on customer sentiment about SoCalGas, aligning to the extent possible with J.D. Power customer satisfaction studies. Results of CET surveys will be available to SoCalGas personnel and will be used to improve the HERs. It will contain questions asking customers about key CSAT metrics, to be finalized in collaboration with SoCalGas before surveys are sent to customers.

6. **For Programs Claiming To-Code Savings**

Claiming To-Code savings is not applicable to DACF.

7. **Workforce Education & Training (WE&T) [1]**

WE&T is not applicable to DACF.

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[1]   D.18-05-041, Page 20-21 and Ordering Paragraph 7.

8. **Workforce Standards**[2]

Workforce Standards are not applicable to DACF.

9. **Disadvantaged Worker Plan:**[3]

The Disadvantaged Worker Plan is not applicable to DACF.

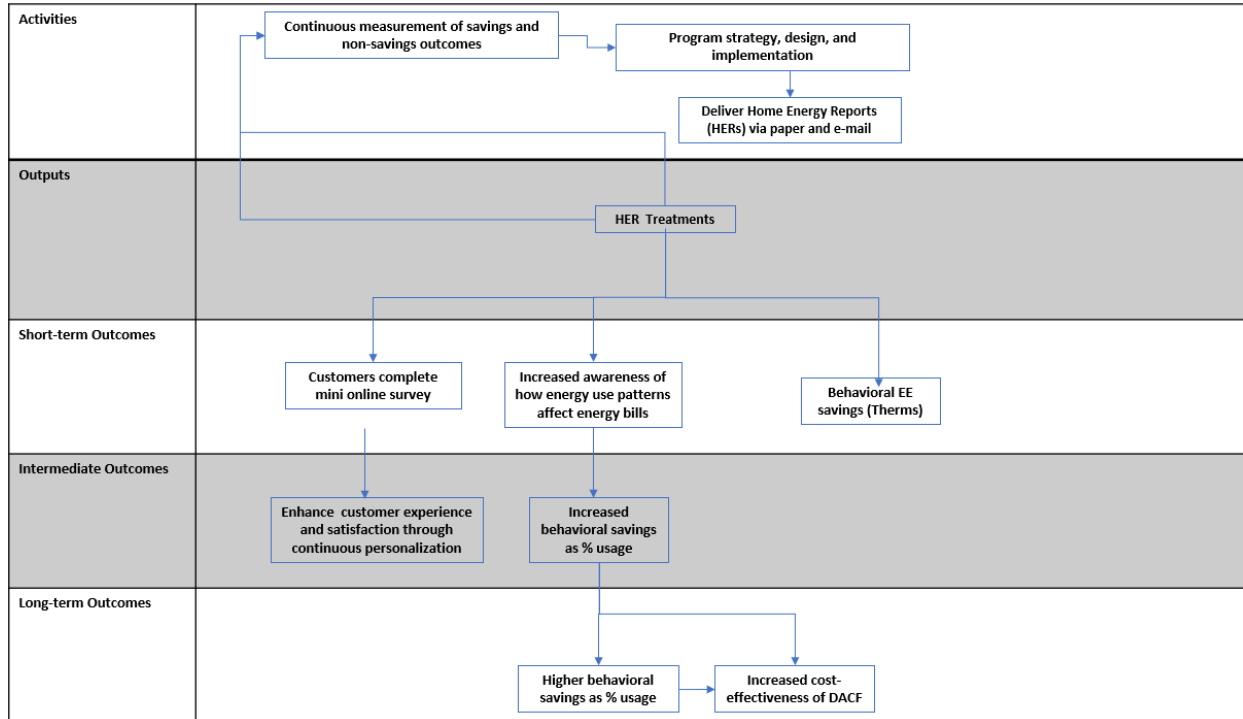10. **Additional Information**

Not applicable

3. Supporting Documents

1. **Program Manuals and Program Rules**

The DACF does not have a manual as it does not require eligibility to participate or to claim savings.

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[2]   D.18-10-008, Ordering Paragraph 1-2 and Attachment B, Section A-B, Page B-1.
[3]   D.18-10-008, Attachment B, Section D, page B-9.

2. **Program Theory [4] and Program Logic Model [5]**

Activities	Continuous measurement of savings and non-savings outcomes → Program strategy, design, and implementation → Deliver Home Energy Reports (HERs) via paper and e-mail
Outputs	HER Treatments
Short-term Outcomes	Customers complete mini online survey — Increased awareness of how energy use patterns affect energy bills — Behavioral EE savings (Therms)
Intermediate Outcomes	Enhance customer experience and satisfaction through continuous personalization — Increased behavioral savings as % usage
Long-term Outcomes	Higher behavioral savings as % usage → Increased cost-effectiveness of DACF

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[4] The expected causal relationships between program goals and program activities in a way that allows the reader to understand why the proposed program activities are expected to result in the accomplishment of the program goals. A well-developed program theory can (and should) also describe the barriers that will be overcome in order to accomplish the goals and clearly describe how the program activities are expected to overcome those barriers. *California Evaluation Framework*, June 2004.

[5] The graphical representation of the program theory showing the flow between activities, their outputs, and subsequent short-term, intermediate, and long-term outcomes. *California Evaluation Framework*, June 2004.

3. **Process Flow Chart**
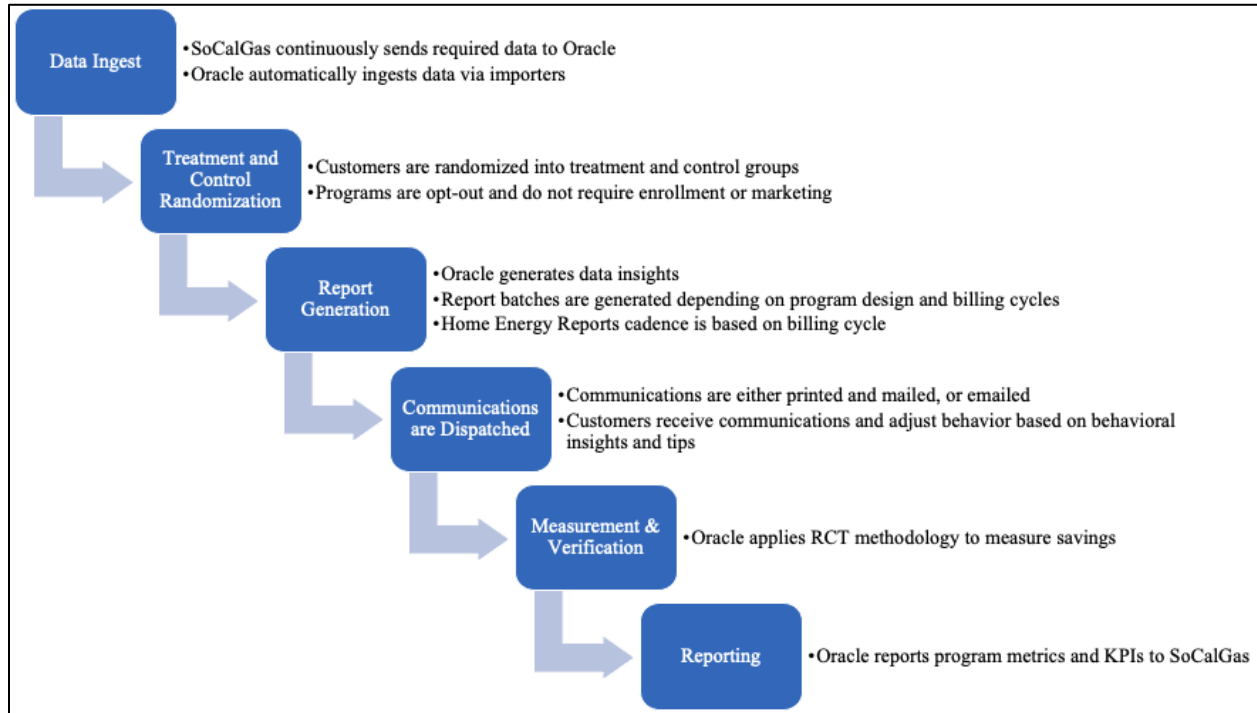
4. **Incentive Tables, Workpapers, Software Tools[6]**

#	Workpaper Name	Short Description	URL link or location name
1	SWWB004-02	Home Energy Reports	http://www.deeresources.net/

5. **Quantitative Program Targets**

Below is a summary of the total number of customers being treated with DACF in the RCT.

Wave	Treatment Customers (November 2021, estimated)
Wave 1	113,900
Wave 2	86,508
Wave 4	115,160
Wave 5	199,892
Wave 7	395,829
Wave 10	88,092
Wave 13	125,439
Total	**1,124,819**

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[6] Per D.19-08-009, for fuel substitution measures where the incentive exceeds the Incremental Measure Cost (IMC), the CPUC requires submission of a workpaper addendum using a separate template. Third-party implementers can request the template from their Contract Manager.

Program goals

First Year Annualized Deliverable	2021	2022	2023	2024	Total
Gross Therm Savings	2,070,000	8,965,500	8,815,500	6,699,000	26,550,000
Net Therm Savings	2,070,000	8,965,500	8,815,500	6,699,000	26,550,000

6. **Diagram of Program**

DACF is a subprogram of SoCalGas's RES-Behavioral Program (SCG3824). DACF does not have subprograms.

7. **Evaluation, Measurement, and Verification (EM&V):**

Please see program design section for a description of the EM&V methodology used by Nexant, independent evaluator.

8. **Curtailment**

Pursuant to Section 4.1.1 of Schedule B (Scope of Work) to the Agreement, the SoCalGas and Oracle agreed to include terms in this Implementation Plan that, given the 100% "pay for performance" nature of this Program, would appropriately compensate Oracle in the event SoCalGas takes one or more of the actions specified below, thereby preventing Oracle from delivering the contracted energy savings. "Curtailment" is defined in the Potential Curtailment Event Table that follows.

Potential Curtailment Event Table

Potential Curtailment Event	Potential Curtailment Event Start Date	Curtailment Allowed Period
Type 1: SoCalGas requests Oracle to suppress Home Energy Reports ("HER") or other services in the order for greater than fifteen percent (15%) of the total customers	Upon written request from SoCalGas to suppress communications	Thirty (30) consecutive calendar days or an aggregate amount of sixty (60) calendar days in any program year
Type 2: SoCalGas requests Oracle to suppress elements of communications that present customer	Upon written request from SoCalGas to	Thirty (30) consecutive calendar days or an aggregate amount of sixty (60)

	specific energy usage data (including any neighbor comparison) to greater than fifteen percent (15%) of the total customers	suppress elements of communications	calendar days in any calendar year
	Type 3: SoCalGas fails to provide customer data, or the data provided is of insufficient quality to support the creation and delivery of the services (as described in the data transfer standards of the Oracle Utilities Opower Platform Program Documentation).	Upon written notification from Oracle that scheduled feed was not delivered	Ten (10) consecutive business days

The actual Curtailment Allowed Period begins on the day SoCalGas triggers the Potential Curtailment Event (the "Potential Curtailment Event Start Date" as described in the Potential Curtailment Event Table above) and continues until (i) SoCalGas ends the Potential Curtailment Event in writing, or (ii) the Curtailment Allowed Period is exceeded. Each program year, should a Potential Curtailment Event extend beyond the Curtailment Allowed Period (a "Curtailment Event"), Oracle shall be eligible for an additional payment as defined below ("Curtailment True-up Payment")

Oracle shall create a curtailment log sheet for the tracking and monitoring of Potential Curtailment Events and Curtailment Events. The Curtailment Event begins at the end of the Curtailment Allowed Period and continues until SoCalGas notifies Oracle in writing that SoCalGas is no longer suppressing communications or elements of communications in the case of Type 1 or Type 2 or until Oracle notifies SoCalGas that the scheduled feed has been delivered in the case of Type 3 (the "Curtailment True-up Period"). If a Curtailment Event occurs in a given program year, SoCalGas will apply a Curtailment True-up Payment. The amount of the Curtailment True-up Payment will be calculated based on the duration of the Curtailment True-up Period for the applicable Curtailment Event as described in the Curtailment True-up Table below, noting that:

- To the extent any Curtailment Event starts in one (1) program year and lasts until the following program year, the Curtailment True-up Period calculation for the subsequent year will reset at the beginning of the next program year but accrue thereafter as if any applicable Curtailment Allowed Period had expired.

- If multiple Curtailment Events occur in a given program year during different time periods ("Distinct Curtailment Events"), each Distinct Curtailment Event will result in a separate Curtailment True-up Payment. Furthermore, to the extent a Curtailment Event occurs, the Curtailment Allowed Period for that Potential Curtailment Event will reset. For the avoidance of

doubt, if multiple Curtailment Events overlap in the same time period, they will not be counted as Distinct Curtailment Events.

- The cumulative Curtailment True-Up Payments and Performance Payment for a program year, after application of any Penalties, may not exceed the "Maximum Annual Fee" set forth in Table 8 of Schedule C to the Agreement, or "Maximum Performance Payment", for such program year.

Curtailment True-Up Payment Table

Curtailment True-up Period (This is above the Curtailment Allowed Period)	Curtailment True-up Payment
One to thirty (1-30) calendar days	$50,000
Thirty-one to sixty (31-60) calendar days	$100,000
Sixty-one to one hundred and fifty (61-150) calendar days	$200,000
Greater than one hundred and fifty (150) calendar days	$400,000

All parties intend to implement the program as intended and will make reasonable efforts to avoid making decisions that will impact program performance.

APPENDIX. List of Acronyms and Abbreviations

Term	Definition
Agreement	Southern California Gas Company Standard Services Agreement, dated as of October 29, 2021, between Oracle America, Inc. and Southern California Gas Company
DACF	Dynamic Actionable Customer Feedback
CPUC	California Public Utilities Commission
DAC	Disadvantaged communities
DID	Differences-in-Differences
EE	Energy Efficiency
EHER	Email Home Energy Report
EM&V	Evaluation, Measurement & Verification
HERs	Home Energy Reports
HTR	Hard-to-Reach
IP	Implementation Plan

Term	Definition
M&V	Measurement & Verification (or, sometimes, Validation)
PAC	Program Administrator Cost Test
RCT	Randomized Control Trial
TRC	Total Resource Cost