

2013-2014 Energy Efficiency Decision Summary

SEEC Webinar
December 6, 2012



Southern
California
Gas Company



A Sempra Energy utility®

Agenda

- » Background
- » Summary of Decision 12-11-015
- » 2013-2014 Energy Efficiency Compliance Filing
- » Questions

Background

- » The California Public Utilities Commission authorized a two-year “transition period” between the 2010-2012 and 2015-2017 program cycles:
 - July 2 – Investor Owned Utilities (IOUs) filed Applications for 2013-2014 EE program funding
 - July 16 – Regional Energy Networks (RENs)/Marin Energy Authority (MEA) filed motions for funding
 - August 3 - IOUs filed Applications for 2013-2014 SW Marketing, Education and Outreach (ME&O) funding (pending CPUC action)

- » October 9 – CPUC issues EE Proposed Decision

- » November 8 – CPUC approves EE Final Decision

Summary of Decision D.12-11-015

HIGHLIGHTS

» *Approves:*

- IOU Portfolios, with adjustments
- RENs, with adjustments
- MEA Funding, with adjustments
- Local Governments Partnerships (LGPs)
- Institutional Partnerships (IPs)
- Financing Budgets

Summary of EE Decision

IOU / Category	Proposed Application	Final Decision	Variance	
SCG	\$ 190,359	\$ 178,732	\$ (11,627)	-6%
SCG Programs	\$168,760	\$ 162,378	\$ (6,382)	-4%
SoCalREN	\$14,400	\$ 9,052	\$ (5,348)	-37%
EM&V	\$7,199	\$ 7,302	\$ 103	1%
SDG&E	\$ 212,909	\$ 205,228	\$ (7,681)	-4%
SDG&E Programs	\$ 204,393	\$ 196,701	\$ (7,692)	-4%
EM&V	\$ 8,516	\$ 8,527	\$ 11	0%
SCE	\$ 835,496	\$ 694,209	\$ (141,287)	-17%
SCE Programs	\$ 755,958	\$ 629,797	\$ (126,161)	-17%
SoCalREN	\$ 49,300	\$ 35,748	\$ (13,552)	-27%
EM&V	\$ 30,238	\$ 28,664	\$ (1,574)	-5%
PG&E	\$ 939,507	\$ 823,083	\$ (116,424)	-12%
PG&E Programs	\$ 859,456	\$ 758,593	\$ (100,863)	-12%
BayREN	\$ 41,598	\$ 26,568	\$ (15,030)	-36%
MEA	\$ 4,015	\$ 4,015	\$ -	0%
EM&V	\$ 34,438	\$ 33,907	\$ (531)	-2%
	\$ 2,178,271	\$ 1,901,252		

Summary of EE Decision

» Overall Portfolio

- Requires IOU cost-effectiveness to include all costs associated with delivering energy efficiency programs (e.g., fully loaded labor costs)
- Spillover adjustment of 5% applied to portfolio cost-effectiveness calculation
- Requires IOUs to minimize non-incentive budgets as much as possible to achieve the 20% budget target
- Requires the return of unspent, uncommitted funds from prior program cycles to ratepayers
- Requires the Joint CPUC-IOU Evaluation Plan be finalized within 60 days
- ED to finalize *ex ante* estimates by March 1, 2013



Summary of EE Decision

» Regional Energy Networks

- Approves activities for Energy Upgrade California (residential retrofit), certain financing programs, and “regional energy centers”
- Requires IOUs to contract with Southern California Regional Energy Network (SoCalREN)/ Bay Area Regional Energy Network (BayREN) within 60 days
- As contract managers, IOUs have responsibility of fiscal oversight and monitoring; Energy Division (ED) over program design
- Form a working group on the Energy Upgrade California (EUC) program and AB 758 issues
- Proposed financing programs by RENs should be coordinated with SW financing consultant to ensure coordination and comprehensive program design (Multifamily funds were “reserved” accordingly)



Summary of EE Decision

» Energy Upgrade California

- Advice Letter, which addresses intervenor improvement proposals, REN involvement and geographic domain, and includes a revised PIP and redesigned Basic Path Component, will be filed by April 1, 2013
- IOUs should meet or exceed high participation scenario targets
- Requires IOUs to hire a statewide market transformation consultant and create an informal working group
- Allows Southern California Gas (SCG) to continue subsidization of full-scale whole house audits if followed by a retrofit (but doesn't need minimum of 3 measures)
- Update Program Implementation Plans (PIPs) to include additional information, clearly indicate unit treatment targets & budgets utilizing 2012 funding as part of 2013-14 authorized funds
- Refer to program only as EUC, not Whole House Upgrade Program
- Each implementer of a Multifamily EUC Pilot required to participate in mid-cycle workshop (late 2013 or early 2014)
- Middle Income Direct Install (MIDI) – double projected participant level and propose any corresponding budget increase in Compliance Filing to ensure program eligibility for customers residing in multi-family buildings



Summary of EE Decision

» MFEER (Multi-Family EE Rebates)

- IOUs must address the following issues in their revised PIPs:
 - Corporate-level outreach to MF building owners
 - Training and certification for participating owners
 - Technical assistance offerings improved for building owners

» CAHP (California Advanced Home Program)

- Required to meet and confer with CPUC and CEC staff to agree upon program incentive levels by December 1, 2012
 - Must reflect incentive levels in updated PIPs

» Residential HVAC

- Propose an incentive program for distributors of residential HVAC equipment by April 1, 2013 by Advice Letter filing
- Update targets and approaches
- Focus on a market transformation approach for QI/QM programs
- Propose pilot “to code” incentives in the hotter climate zones (CZ 9-16) in 2013 and 2014 by June 1, 2013 by Advice Letter filing



Summary of EE Decision

» Integrated Demand Side Mangement (IDSMS)

- Directs IOUs to utilize appropriate EE IDSMS funds to “backstop” funding of IDSMS tools
- Clarifies that directive is intended to encourage IDSMS-related activities, not to spend EE funding on incentives for distributed generation projects themselves
- Directs IOUs to resubmit PIP that reintegrates language that was removed from the 2010-2012 PIPs
- Requires PIP to include a matrix of budget figures by funding source and category
- Requires PIP to include a description of the technologies being promoted and efforts to support IDSMS goals

Summary of EE Decision

» Lighting

- Reduced focus on CFLs and a transition to LEDs that are compliant with CEC standards. IOUs granted a transition period, but the CPUC Desires it to be as short as possible.

Summary of EE Decision

» Third Party Programs

- Approves Innovative Designs for Energy Efficiency Approaches (IDEEA365) proposal and requires IOUs to provide a forum in late 2013 or early 2014 for stakeholders to provide input on how the process is working
- Encourages IOUs to launch IDEEA365 by January 1, 2013
- Clarifies the competitive solicitation requirement of 20% applies to total portfolio budget, including Evaluation, Measurement and Verification (EM&V) costs
- Requires additional budget towards MUSH (Municipal, Utility, School, Housing) and Sustainable Communities programs, including a MUSH targeted solicitation
- Encourages IOUs to incorporate workforce diversity and inclusion goals into third party solicitation processes



Summary of EE Decision

» Workforce Education & Training

- IOUs to hire expert entity to help design a comprehensive approach to address WET issues
 - Propose a contract of at least \$500K
 - Hire contractor no later than May 1, 2013
- IOUs should emulate data collection protocols with respect to workforce initiatives recently adopted by Commission in low income decision (D. 12-08-044)
 - IOUs to present initial data to Commission no later than May 1, 2013
- Requires PIP to include a budget breakdown by sub-program

Summary of EE Decision

» Financing Programs

- Approves funds for On Bill Financing (OBF), Pilots and ARRA
- ARRA Funding:
 - IOUs must indicate the exact programs that will be funded with ARRA Funding
 - Allows for carryover of 2012 contracts until 2013 contracts signed
- Approves funding for pilot budgets (not the pilots themselves yet)
- IOUs must participate in efforts to collect data to populate a database of finance-related information
- Pilots on separate track; Assigned Commissioner delegated role



Summary of EE Decision

» Local Government Partnership / IPs:

- Approved Funding as-filed
- IOUs must present contracts within 60 days to LGPs

2013-2014 EE Compliance Filing

- » Compliance Filing due January 14, 2013
 - Advice Letter (both IOUs, MEA and RENS)
 - PIPs (Final and Red-Lined Versions)
 - Compliance Tables (Placemat and E3 Calculators)

- » Key Objectives and Strategy:
 - Optimize budget and associated portfolio cost-effectiveness
 - Achieve 2013-2014 CPUC savings goals
 - Meet CPUC compliance requirements

QUESTIONS?



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