

PUBLIC UTILITIES COMMISSION

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September 20, 2007

Advice Letter 3713

Mr. Sid Newsom  
Regulatory Tariff Administration  
Southern California Gas Company – GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-4957

Subject: Request for Approval of the Palm Desert Partnership  
Demonstration Project Implementation Plan

Dear Mr. Newsom:

Advice Letter 3713 is effective July 12, 2007.

Sincerely,

A handwritten signature in black ink, appearing to read "Sean H. Gallagher".

Sean H. Gallagher, Director  
Energy Division



J. Steve Rahon

Director

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February 14, 2007

Advice No. 3713  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Request for Approval of the Palm Desert Partnership Demonstration Project Implementation Plan**

**Purpose**

Southern California Gas Company ("SoCalGas") hereby requests approval of the California Public Utilities Commission ("Commission") to implement the Palm Desert Partnership Demonstration Project ("Project") with a budget of \$2.243 million as part of SoCalGas' 2006-2008 energy efficiency ("EE") program portfolio, and to increase the overall funding available for the 2006-2008 Competitive Bid by \$0.448 million.

**Background**

The Project is a logical progression in the development of EE community partnerships. The City of Palm Desert ("the City") has demonstrated the willingness and foresight to commit to EE objectives that are beyond those of typical community partnerships. In support of that commitment, the City has dedicated the necessary resources to ensure that the Project is successful in meeting its objectives. SoCalGas, a partner in the Project, will commit to a sustained five-year campaign to promote a combination of short- and long-term program solutions utilizing marketing and outreach strategies to all customers in the City.

The Project will utilize SoCalGas' current portfolio of programs in combination with the incremental activities proposed in this advice letter filing to achieve a level of energy savings higher than could have been realized otherwise.

In this filing, SoCalGas requests authority to incur expenditures associated with the first two years (i.e., 2007 and 2008) of the Project. SoCalGas plans to request any additional funding that may be required to implement the remaining term of the Project in SoCalGas' 2009-2011 EE funding application. The Project's EE measures are intended to comprise a substantial part of the City's overall comprehensive energy plan, which includes promotion of other existing EE

programs, including non-low income and low-income EE; self-generation incentive programs; as well as the California Solar Initiative.

Consistent with the comprehensive scope of the Project, Southern California Edison ("SCE") participated in the planning of the Project and has already received Commission approval in Decision ("D.") 06-12-013 to implement the Project. SoCalGas' proposal is consistent with the modifications to SCE's program proposal as discussed in D.06-12-013. To achieve the truly aggressive energy savings and demand reduction objectives sought by SoCalGas and the City, the Project proposes to increase existing approved measure incentive levels for some measures deployed in the City to encourage penetration beyond historic levels and to support early replacement strategies that will accelerate and increase the energy savings and demand reductions realized from the Project.

Ordering Paragraph 9 of D.06-12-13 approved the Advice Letter process for new programs provided the utility consults with its Program Advisory Group ("PAG")/Peer Review Group ("PRG").<sup>1</sup> SoCalGas has informed its PAG/PRG of its intent to file an advice letter regarding this project and provided them with a draft copy of the Program Implementation Plan ("PIP") on January 24, 2007.

### **Justification For Project**

The City is primarily a residential, commercial and resort community. Thirty-nine percent of all single family homes and sixty-seven percent of condominiums are estimated to have been built prior to 1984 when building efficiency standards were much lower than today's standards. These units were built with single-pane windows, low efficiency gas furnaces and water heaters, low SEER<sup>2</sup> air conditioning, little or no energy efficient lighting, and may contain other appliances manufactured before higher EE models were available. Empirical data suggests that the potential for air conditioner replacement in this market may be less than some estimates, because many of these 20+ year-old units may have already been replaced or substantially repaired (due to their heavy usage during the long hot summer months experienced in the City), while natural gas fired space heating furnaces are much less likely to have been replaced. Increased ceiling and wall insulation could be of real value to residents living in these older condominiums and single family homes given the potential of these measures to reduce both air conditioner and furnace usage.

Peak electricity demand continues to be a critical issue for Southern California because it is the peak demand that determines the need for resources. Peak usage in the City "spikes" a great deal more than for the system, as a whole. The City's average residential customer's summer peak usage is 267% of off-peak usage, compared to 147% for the

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<sup>1</sup> D.05-09-043 is modified to allow SoCalGas and the electric investor-owned utility program administrators to use the advice letter process to seek Commission authorization to shift existing unspent, uncommitted energy efficiency funds from previous program cycles to the 2006-2008 portfolio budgets to fund new energy efficiency programs, or incremental energy efficiency activities as part of existing, authorized energy efficiency programs. Utilities should be required to consult with utility PAG and PRG before filing such advice letters.

<sup>2</sup> Every air conditioning unit is assigned an efficiency rating known as its "seasonal energy efficiency ratio" (SEER). The SEER is defined as the total cooling output (in British thermal units or Btu) provided by the unit during its normal annual usage period divided by its total energy input (in watt-hours) during the same period.

system. For this reason, SCE will emphasize energy saving measures that also target peak demand reductions in order to maximize the value of measures to all customers.

In support of lowering peak demand, SoCalGas will promote natural gas measures that can supplant electric measures that contribute substantially to peak demand. The use of pumps driven by natural gas engines or by gas/electric hybrid engines will be a key focal point of SoCalGas' efforts, as well as promotion of natural gas air conditioning units, where feasible.

### **Project Description and Overview**

The Project presents a model for community energy partnerships that brings together the City, its residents and businesses with SoCalGas and SCE in a partnering relationship in which each partner will bring its experience, expertise and resources to promote energy conservation in the City. Another partner for the project will be the Energy Coalition ("the Coalition"), which has extensive experience in assisting utilities and cities in coming together to bring EE offerings to communities using partnership principles.<sup>3</sup> Similar to SCE, SoCalGas will be funding the role of the Coalition as the "facilitating partner" in this Project. With their background in working with various cities, The Coalition will play a valuable role in not only helping design and implement this Project to meet the energy savings goals, but more importantly, in also addressing how the "demonstration partnership" can be a model for the future. The planned roles and responsibilities of the Energy Coalition are discussed in the PIP, and the estimated project budget for the Energy Coalition's services over the 2007-2008 implementation period is not expected to exceed \$63,000.<sup>4</sup>

The City is already an acknowledged leader in wise energy policy and civic commitment. Similarly, SoCalGas is recognized as a national leader in natural gas EE, and offers the largest portfolio of gas EE programs in the country. Working with SCE and its Commission-approved portion of the Partnership, the Project is positioned to be a showcase for how to develop and implement a local government partnership. The Energy Coalition is also a recognized organization for their longstanding involvement in promoting EE policy, education and programs.

The partnership approach utilized in the Project has proven to be an appealing model from a participant standpoint because it bundles services that have been disparate and sporadically utilized by customers. Partnership participants are exposed to "the bigger picture" of local, state and global energy resources, and they are presented with a variety of energy savings opportunities through electric, gas, and water utility programs and sustainable practices. Results are not delivered in isolation but facilitated by administrators from both SoCalGas and SCE who are deeply involved in the program and are in routine communication with the facilitating partners, the Energy Coalition and the City, serving as a link between the utilities and the City.

The City's residents and businesses will continue to enjoy complete access to all of the programs currently offered under SoCalGas' and SCE's current EE portfolios, including

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<sup>3</sup> Upon approval of the Project, SoCalGas will work with the other Project partners to enter into an agreement to jointly implement the Project, by which each partner will agree to certain roles and responsibilities for implementing the Project, leveraging on each partner's experience, expertise and resources.

<sup>4</sup> Based on a prorated final allocation from SCE's budget in D.06-12-013.

the services offered through the existing 2006-2008 Community Energy Partnership. Activities associated with this Project will leverage the existing EE programs to pursue additional EE opportunities. These opportunities are beyond the activities associated with SoCalGas' current 2006-2008 portfolio of EE programs. However, under the Project, both the City and the utilities will together deliver these additional unique offerings:

- A suite of comprehensive cost-effective packages of EE measures and behavioral changes that also incorporate emerging technologies as they become commercially available for heating, ventilation and air conditioning (HVAC), water heating, lighting, refrigeration, and pumping;
- A focused, comprehensive HVAC program that maximizes on-peak energy savings and demand reduction by focusing on early replacement through higher incentives offered through special seasonal "sales" and aggressive promotion of services;
- Closely coordinated local education, training, marketing and outreach (including neighborhood "sweeps" and events) in which the utilities and the City work together to educate consumers and co-promote programs;
- Packaging financial incentive bundles that combine cost-effective utility incentive levels with various financing packages arranged by the City and the utilities to make it easier for customers to choose to participate in programs; and
- Conveniently link the City's new energy codes and mandates with utility-offered technical assistance and incentives to facilitate compliance.

Only activities incremental to the current portfolio will be credited towards the Project. SoCalGas proposes to spend up to an additional \$2.243 million in funding during the 2006-2008 program cycle in order to implement the EE activities associated with the Project. Details on the activities identified to attain the Project's natural gas goals are detailed in the PIP, attached hereto as Attachment B and summarized as follows:

Hardware Incentives — Incentives for the purchase of ENERGY STAR® qualified natural gas furnaces and water heaters paid as a point-of-sale discount instant discount or rebate. Incentives will also be provided for early replacement of inefficient pool heaters with units that exceed current standards by a least 10%. Both residential and non-residential customers will be targeted for early replacements using SoCalGas billing data to identify the most appropriate "candidates."

Early Replacement Furnace Incentives — Early replacement of furnaces delivered through the Comprehensive HVAC Program. Higher incentive levels will be considered for homeowners and property managers that institute a comprehensive suite of measures including furnace upgrades, building shell improvements, water heating system efficiency improvements. Enhanced outreach efforts will be employed to target high usage customers who could provide the most cost effective natural gas savings from early replacement efforts.

Comprehensive Mobile Home — Direct installs for mobile home occupants and property managers, including HVAC refrigerant charge and air flow tune-up, duct test and seal, occupancy sensors, interior and exterior compact fluorescent

lightbulbs, night lights, interior and exterior hardwire fixtures. SoCalGas will support SCE outreach efforts through co-funding of duct sealing activities and will offer higher incentives for installation of a comprehensive set of gas measures including space heating efficiency improvements, water heating system upgrades, and building shell improvements.

Multifamily Rebates — Cash rebates for property owners or managers of multifamily complexes with two or more units that purchase and install high efficiency storage water heaters/boilers, attic and wall insulation, boiler controllers and high efficiency pool heaters. Higher incentive levels will be considered for property managers that institute a comprehensive suite of measures.

New Construction — Reduction in new home natural gas usage will focus on local code changes that promote installation of high efficiency space heating, water heating, and pool heating equipment. The intent of the code changes will be to move new home builders toward the use of condensing furnaces and water heating systems, as well as more extensive use of high efficiency instantaneous natural gas water heaters. Though not proposed at this time, incentives may be provided to home builders for meeting the proposed code changes. For multi-family dwelling promotion of ultra high efficiency combo systems that employ a very high efficiency condensing gas water heater for provision of both space heat and domestic hot water will be encouraged.

Comprehensive Commercial Retrofit — There is ample opportunity to reduce energy consumption in the commercial sector. A portfolio of program strategies will be deployed to systematically and comprehensively address energy savings in each customer segment in the City. Enhanced incentive levels will be considered for customers that implement both space conditioning and water heating (including pool heating) system improvements at the same site.

Standard-Offer Financial Incentives — The Express Efficiency element will provide customers with opportunities to apply for prescriptive type of incentives and calculated approach with more complex projects utilizing the EE Grant Program. Opportunities that will be emphasized include boiler and water heater upgrades, comprehensive HVAC improvements, and food service equipment upgrades. The EE Grant Program will be modified to allow projects with a minimum of 25,000 therms saved as opposed to the 250,000 minimum in the service territory-wide program.

Energy Audits — SoCalGas Account Representatives will continue to perform business audits for medium size non-residential customers. Remote energy audits will also be available through phone, internet, and mail. These audit activities will be closely coordinated with the Direct Install offering and other Project offerings to minimize and avoid duplication of efforts and conflicts in program offerings.

Agriculture and Golf Course Energy Efficiency — The Agricultural and Golf Course Energy Efficiency offering is a portfolio of products and services designed to enhance adoption of energy efficient equipment and practices among agricultural customers. This offering addresses two characteristics of the sector that have historically been a stumbling block to adoption of EE throughout all regions of the

country, and California in particular diversity of the customer base, and the relatively small role of natural gas and electricity in their costs.

The program is designed to enhance the EE of the agriculture sector that include tests and audits of pumping systems, education and design assistance, financing and incentives, load management, and pilots and feasibility assessments. SCE will provide pumping assessments and provide incentives to replace the motors to more energy efficient units and also include variable frequency drives and controllers. SoCalGas will enhance this effort by introducing natural gas and gas/electric hybrid engine-driven pumps to further reduce peak kilowatt demand when it is in the customer's best interest. The offering will also include a targeted strategy for golf courses ensuring the most energy efficient landscape irrigation options are available to the numerous golf courses in the City.

"Emerging Technologies" — SoCalGas will promote the purchase and installation of solar water heating systems and new, high-efficient natural gas air conditioning systems. Solar water heating systems for commercial and residential pool heating will be the initial targets of these demonstration project efforts.

### **Project Benefits**

This Project is envisioned as a five-year, sustained campaign (starting in 2007), which is estimated to provide energy savings for the SoCalGas component of the Program as shown in the table below. The cost effectiveness ratios of the Project are forecasted to be 1.29 TRC and 2.09 PAC. The addition of this program to SoCalGas' existing 2006-2008 portfolio has no impact on the current TRC and PAC ratios.

In addition to the incremental therm savings benefits to SoCalGas' 2006-2008 EE portfolio, the Project will provide significant benefits in other areas. Changes to existing local codes will encourage the installation of higher efficiency gas equipment. A coordinated promotion and outreach effort targeted at residential and commercial customers will increase awareness of energy efficient alternatives. This will be accomplished through detailed energy audits, customer surveys and other communication and education strategies.

The table below provides a summary of the forecasted energy savings from the Project.

<b>Sector/Measure Category</b>	<b>Therm Savings</b>
<b>Single Family Residential Total</b>	<b>191,173</b>
Space Heating	92,353
Water Heating	98,820
<b>Multi Family Residential Total</b>	<b>231,578</b>
Space Heating	810
Water Heating	230,768
<b>NonResidential Total</b>	<b>280,62</b>
Water Heating	109,583
Commercial Cooking	131,037
Other	40,000
<b>All Sectors Total</b>	<b>703,371</b>

Detailed assumptions are presented in the accompanying E3 workbook<sup>5</sup> summary papers (Attachment C) and additional work papers (2335 pages in PDF form/15MB) are available upon request.

### **Funding Proposal**

In addition to the \$2.243 million program funding requirement for the Project, SoCalGas is also requesting to make available an additional 20% (\$0.448 million) to comply with the competitive bidding percentage requirement pursuant to D.05-01-055.<sup>6</sup> To fund the Project and competitive bidding requirement, SoCalGas proposes to utilize the unspent funds of \$2,472,643 originally authorized by the Commission for SESCO's "2004-2005 Gas-only Multi-family Program-South" in D.03-12-060. No contract was signed with SESCO and since the program cycle has passed, SoCalGas has identified these funds as an available funding source for this project. In addition, SoCalGas has available \$218,357 in unspent and uncommitted pre-1998 DSM funds recorded in its Conservation Expense Account ("CEA"). Upon Commission approval of these funding requests, SoCalGas plans to transfer the balancing account funds from prior program cycles to the current EE program cycle. The transfer will be recorded as an adjustment from the CEA to the Demand-Side Management Balancing Account. Therefore, there are no rate or revenue impacts associated with SoCalGas' proposal.

### **Project Impacts on 2006-2008 Energy Savings Goal and Shareholder Earnings**

SoCalGas' proposal (both funding and energy savings) is incremental to its approved 2006-2008 EE portfolio submitted in its February 1, 2006 Advice Letter 3588. SoCalGas requests that the verified incremental savings derived from this project be counted

<sup>5</sup> Due to its size, the complete E3 workbook could not be attached to this filing, but may be viewed at: [www.socalgas.com/regulatory/efficiency/2006compliance/E3\\_Workbooks/index.shtml](http://www.socalgas.com/regulatory/efficiency/2006compliance/E3_Workbooks/index.shtml) .

<sup>6</sup> Discussion on page 94 of the decision states, "the IOUs will identify a minimum of 20% of funding for the entire portfolio that will be put out to competitive bid to third parties for the purpose of soliciting innovative ideas and proposals for improved portfolio performance".



towards SoCalGas' achievement of the Commission's energy savings target for 2006-2008 approved in D.04-09-043 and included in the earnings mechanism to be approved by the Commission.

### **Protest**

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this Advice Letter. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

CPUC Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of both Maria Salinas ([mas@cpuc.ca.gov](mailto:mas@cpuc.ca.gov)) and Honesto Gatchalian ([inj@cpuc.ca.gov](mailto:inj@cpuc.ca.gov)) of the Energy Division. A copy of the protest shall also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

Attn: Sid Newsom  
Regulatory Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile No. (213) 244-4957  
E-Mail: [snewsom@semprautilities.com](mailto:snewsom@semprautilities.com)

### **Effective Date**

SoCalGas believes that this filing is subject to Energy Division disposition and therefore respectfully requests that this advice letter become effective March 16, 2007, which is 30 calendar days after the date filed.

### **Notice**

A copy of this advice letter is being sent to the parties listed on Attachment A, which includes the service list in A.05-06-011, Natural Gas Energy Efficiency Programs and Budgets for Years 2006 through 2008.

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J. STEVE RAHON  
Director  
Tariffs and Regulatory Accounts

Attachments

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No. **SOUTHERN CALIFORNIA GAS COMPANY/ U 904 G**

Utility type: \_\_\_\_\_

Contact Person: Connie Christensen

ELC

GAS

Phone #: (213) 244-3837

PLC

HEAT

WATER

E-mail: cchristensen@semprautilities.com

### EXPLANATION OF UTILITY TYPE

ELC = Electric

GAS = Gas

PLC = Pipeline

HEAT = Heat

WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3713

Subject of AL: Request Approval of Palm Desert Partnership Demo Project Implementation Plan

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>:

Resolution Required?  Yes  No

Requested effective date: 03/16/07

No. of tariff sheets: 0

Estimated system annual revenue effect (%): N/A

Estimated system average rate effect (%): N/A

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: N/A

Service affected and changes proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets: N/A

**Protests and all other correspondence regarding this AL are due no later than 20 days after the date of this filing, unless otherwise authorized by the Commission, and shall be sent to:**

**CPUC, Energy Division**

**Attention: Tariff Unit**

**505 Van Ness Avenue**

**San Francisco, CA 94102**

**jjr@cpuc.ca.gov and jnj@cpuc.ca.gov**

**Southern California Gas Company**

**Attention: Sid Newsom**

**555 West Fifth Street, ML GT14D6**

**Los Angeles, CA 90013-4957**

**snewsom@semprautilities.com**

<sup>1</sup> Discuss in AL if more space is needed.

**ATTACHMENT A**

**Advice No. 3713**

**(See Attached Service Lists)**

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**ATTACHMENT B**

**Advice No. 3713**

**Palm Desert Partnership Demonstration Project  
Program Implementation Plan**



demonstration program. Finally, the City will absorb lost revenues resulting from the reduction in permitting fees that will be offered to qualified energy efficiency projects.

Similarly, SoCalGas is recognized as a national leader in natural gas energy efficiency, and offers the largest portfolio of gas energy efficiency programs in the country. Working with SCE and its already-approved portion of the Partnership,<sup>1</sup> this project is positioned to be a showcase for how to develop and implement a local government partnership.

The Energy Coalition is also a recognized organization for their longstanding involvement in promoting energy efficiency policy, education and programs. Similar to SCE, SoCalGas will be funding the role of The Coalition as the “facilitating partner” in this Project. With their background in working with various cities, The Coalition will play a valuable role in not only helping design and implement this Project to meet the energy savings goals, but more importantly, in also addressing how the “demonstration partnership” can be a future model.

The City’s residents and businesses will continue to enjoy complete access to all of the programs currently offered under SoCalGas’ and SCE’s portfolios, including the services offered through the existing 2006-2008 Community Energy Partnership. However, under the Project, the City and the utilities will join together to deliver these additional unique offerings:

- A suite of comprehensive cost-effective packages of DSM measures and behavioral changes that also incorporate emerging technologies as they become commercially available for HVAC, water heating, lighting, refrigeration, and pumping;
- A focused, comprehensive HVAC program that maximizes on-peak energy savings and demand reduction by focusing on early replacement through higher incentives offered through special seasonal “sales” and aggressive promotion of services;
- Closely coordinated local education, training, marketing and outreach (including neighborhood “sweeps” and events) in which the utilities and the City work together to educate consumers and co-promote programs;
- Packaging financial incentive bundles that marry cost-effective utility incentive levels with various financing packages arranged by the City and the utilities to make it easier for customers to choose to participate in programs; and
- Tying together the City’s new energy codes and mandates with utility-offered technical assistance and incentives to facilitate compliance.

## **7. Program Outcomes**

This Project is envisioned as a five-year, sustained campaign. Over the course of those five years, SoCalGas and its Project partners have set an objective to reduce overall energy usage and peak load in the City by thirty percent (30%). To address this goal,

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<sup>1</sup> D.06-12-013

SoCalGas is requesting authority to spend up to \$2.243 million in incremental energy efficiency funding over the 2006-08 program cycle to implement the Project. The SCG proposal is designed to be implemented over two years (2007 and 2008). Additionally, SoCalGas plans to request funding to implement the Project in SoCalGas' 2009-2011 energy efficiency funding application.

## **8. Program Strategies**

The Project offers a unified approach where all DSM program offerings work together seamlessly to help customers take actions. The Partnership will rely on a combination of short- and long-term program solutions over a 5-year period in order to achieve the City of Palm Desert's stated energy goals for its community. The overarching principle of the Project is to provide comprehensive approaches to all customer groups through targeted strategies with a focus on early replacement of inefficient equipment. Marketing, outreach and delivery strategies are intended to leverage the strengths of each of the partners.

### **Program Strategy: Promotion and Outreach**

- A multi-faceted approach impacting all residents and businesses.
- Energy surveys for all customers covering both gas and electric measures, which may include home energy surveys.
- Continuous, targeted communication and education.
- Neighborhood sweeps to sell, finance and install measures.
- Demonstration projects showcasing efficiency opportunities within the program.
- School curriculum promoting efficiency and demand reduction.

### **Program Strategy: Comprehensive HVAC**

- Robust program to encourage early replacement in all markets.
- Incentives and financing to replace energy hogs.
- Trained, certified contractor/dealer network.
- Includes proper heating system installation and air duct repair.

### **Program Strategy: Residential Consumers**

- Surveys provide specific customer info for ongoing targeted communication, particularly to high energy use customers with old equipment.
- Sales events, point-of-sale incentives and neighborhood sweeps increase participation and make things easy.
- Addresses all areas: appliances, water heating, space heating & cooling, lighting, pool heating.
- Addresses all segments: single family, multifamily, condominiums, and mobile homes.

### **Program Strategy: Nonresidential Consumers**

- Low-cost/no-cost equipment replacements for smaller businesses.
- Detailed audits, technical assistance and incentives for larger businesses.
- Segment (e.g., golf courses, restaurants, motels/hotels) and technology (e.g., efficient pool heaters, high efficiency domestic hot water heaters) focused.

### **Program Strategy: Residential and Nonresidential New Construction**

- New regulations mandating high efficiency construction.
- Technical and design assistance for developers to meet higher requirements.

## **9. Program Objectives**

This Project is envisioned as a five-year, sustained campaign (starting in January 2007).

The table below summarizes preliminary estimates of energy savings for the SoCalGas component of the Program.

<b>Sector/Measure Category</b>	<b>Therm Savings</b>
<b><i>Single Family Residential Total</i></b>	<b><i>191,173</i></b>
Space Heating	92,353
Water Heating	98,820
<b><i>Multi Family Residential Total</i></b>	<b><i>231,578</i></b>
Space Heating	810
Water Heating	230,768
<b><i>NonResidential Total</i></b>	<b><i>280,62</i></b>
Water Heating	109,583
Commercial Cooking	131,037
Other	40,000
<b><i>All Sectors Total</i></b>	<b><i>703,371</i></b>

## **10. Program Implementation**

The Palm Desert partnership approach has proven to be an appealing model from a participant standpoint because it bundles services that have been disparate and sporadically utilized by customers. Partnership participants are exposed to “the bigger picture” of local, state and global energy resources, and they are presented with a variety of energy savings opportunities through electric, gas, and water utility programs and sustainable practices. Results are not delivered in isolation. This is facilitated by administrators from both SoCalGas and SCE who are deeply involved in the program and are in routine communication with the facilitating partner, The Energy Coalition, as well as the City, serving as a link between the utilities and the City.

The table below highlights the activities involved in implementing the Project, and provides preliminary roles and responsibilities based on each partner's experience, expertise and resources. The roles and responsibilities of each partner are subject to change. The total budget for The Energy Coalition's services is \$63,000 and is based on the final allocation from SCE's budget

## Partnership Roles & Responsibilities

Activity	Palm Desert	SCE/SCG	Energy Coalition
<b>Policy &amp; Operations Planning</b>	<ul style="list-style-type: none"> <li>• Team lead on the City of Palm, Desert data</li> <li>• Team lead on the City actions</li> <li>• Team lead on program design for the City &amp; non-utility-funded programs, including local codes</li> </ul>	<ul style="list-style-type: none"> <li>• Team lead on tie to resource planning</li> <li>• Team lead on program design for utility-funded programs</li> <li>• Team lead on technical expertise</li> </ul>	<ul style="list-style-type: none"> <li>• Team lead on the development of unified plan principles and is supported by all partners</li> <li>• Team lead on the planning for energy co-op program</li> <li>• Policy guidance</li> </ul>
<b>Administrative Functions</b>	<ul style="list-style-type: none"> <li>• Team lead on the City reporting to local government</li> </ul>	<ul style="list-style-type: none"> <li>• Track &amp; report results to CPUC</li> <li>• Oversight of budget &amp; expenditures</li> <li>• Oversight of Measurement/Quality Assurance/Audits</li> </ul>	<ul style="list-style-type: none"> <li>• Planning and coordination of meetings</li> <li>• Publishing of meeting minutes and action items</li> </ul>
<b>Program Operations &amp; Oversight</b>	<ul style="list-style-type: none"> <li>• Team lead on the City &amp; non-utility-funded programs</li> </ul>	<ul style="list-style-type: none"> <li>• Team lead on IOU-funded program operation</li> <li>• Overall project/program management</li> </ul>	
<b>Marketing Functions</b>	<ul style="list-style-type: none"> <li>• Team lead on the City-only marketing materials</li> <li>• Team lead on local media contacts</li> </ul>	<ul style="list-style-type: none"> <li>• Coordination w/Energy Star/Flex Your Power/Save Energy, Save Money campaigns</li> <li>• Team lead on developing campaign plans and messaging</li> <li>• Team lead on joint marketing efforts and program collateral materials</li> </ul>	<ul style="list-style-type: none"> <li>• Team lead on Energy Coalition newsletter to interested stakeholders</li> </ul>
<b>Local (Face-to-Face) Community Outreach</b>	<ul style="list-style-type: none"> <li>• Local team lead on coordination of face-to-face community outreach &amp; recruitment</li> </ul>	<ul style="list-style-type: none"> <li>• Community outreach, including provision of “feet-on-the-street” local presence</li> </ul>	<ul style="list-style-type: none"> <li>• Participate in local outreach</li> <li>• Team lead on PEAK program</li> </ul>



## **11. Customer Description**

The City of Palm Desert is primarily a residential, commercial and resort community. System-wide residential customers account for 38% of usage, where in the City of Palm Desert this proportion is 74%. The City has a different demographic profile than the Coachella Valley in general, as well as differing from the SoCalGas service territory. The population is predominantly white and highly educated. Average household income is 13% higher than in the portion of Southern California reflected by the SoCalGas and SCE service territories. Palm Desert has approximately double the percentage of residents making \$200,000 or more per year (7% and growing) when compared to the service territory as a whole. The City community is a more mature population with a median age of 47 versus 34 for the SoCalGas/SCE area.

Residential gas usage in the City is very slightly below the SoCalGas system average. While the average single family home in Palm Desert is larger than the system average, many residents are seasonal users of their Palm Desert homes. This factor, when combined with the large number of condominiums and mobile homes, has kept the average gas consumption in Palm Desert less than the system average.

The City of Palm Desert accounts for 0.2% of system gas consumption and less than 0.6% of the customer base. There are 31,800 residential dwellings in the City of Palm Desert and nearly all represent at least some level of opportunity for retrofits. Of those, the largest potential may exist in the single family and condominium sectors, since they constitute well over one half of the market.

Thirty-nine percent of all single family customers have gas meter set dates prior to 1984 and 67% of condominiums were built before 1984, when building efficiency standards were far less rigorous. These units were built with single-pane windows, low efficiency gas furnaces and water heaters, low SEER air conditioning, little or no energy efficient lighting, and may contain other appliances manufactured before higher energy efficiency models were available. Empirical data suggests that the potential for air conditioner replacement in this market may be less than some estimates, because many of these 20+ year old units may have been already replaced or substantially repaired, due to their heavy use during the long hot summer months experienced in the City of Palm Desert, but natural gas fired space heating furnaces are much less likely to have been replaced. Increased ceiling and wall insulation could be of real value to residents living in these older condominiums and single family homes given the potential of these measures to reduce both AC and furnace usage.

There are less than 800 non-residential gas customers in Palm Desert. With the exception of a large resort hotel, a power generating station, and a community college, all accounts use less than 100,000 therms annually. Those three larger accounts represent almost one third of the non-residential gas consumption for Palm Desert. The remaining non-residential customers are all small and medium accounts. The table below shows customers and usage by business type. Hotels and restaurants represent over one half of the non-residential gas usage with most gas providing domestic hot water, pool heat, and cooking services.

<b>Palm Desert Commercial and Industrial Customers By NAICS Code</b>			
<b>Business Type</b>	<b>Total 2004 Therms</b>	<b>%</b>	<b>No. of Customers</b>
Hotels and Motels	1,504,359	30%	91
Restaurants	1,202,963	24%	129
NGV Station	587,675	12%	1
Golf Courses and Country Clubs	268,459	5%	31
Junior Colleges	254,463	5%	1
Corporate-Owned Residential Facilities	203,899	4%	82
Continuing Care Retirement Communities	181,164	4%	28
Drycleaning and Laundry Services	148,994	3%	15
Gasoline Stations with Convenience Stores	84,614	2%	10
Travel Services	72,923	1%	9
Performing Arts and Sports Facilities	70,584	1%	18
Elementary and Secondary Schools	56,791	1%	9
Offices of Real Estate Agents and Brokers	52,034	1%	26
General Line Grocery Merchant Wholesalers	42,523	1%	3
Colleges Universities and Professional	35,395	1%	3
<i>All other businesses</i>	<i>21,564</i>	<i>6%</i>	<i>319</i>

Peak electricity demand continues to be a critical issue for Southern California in particular because it is the peak demand that determines the need for resources. In Palm Desert, peak usage “spikes” a great deal more than for the system as a whole. In the City of Palm Desert, the average residential customer’s summer peak usage is 267% of off-peak usage, compared to 147% for the system. For this reason, SCE will emphasize energy saving measures that also target peak demand reductions in order to maximize the value of measures to all customers in general.

In support of this, SoCalGas will also target peak demand reduction through the promotion of natural gas measures that can supplant electric measures that contribute substantially to peak demand. The use of pumps driven by natural gas engines or by gas/electric hybrid engines will be a key focal point of SoCalGas efforts, as will promotion of natural gas air conditioning units where feasible.

## **12. Customer Interface**

Critical to the Project, and a key driver to customers taking actions to reduce energy use and peak demand, is an outreach and information campaign that continually promotes the energy efficiency ethic and contains a follow-up mechanism with residents who have expressed interest in energy efficiency. The Project’s Home Energy Efficiency Survey

offering will be promoted through a joint SCE/SoCalGas/City of Palm Desert communication strategy that may include announcements in local media, newsletter articles, direct mail campaigns, etc.

First, a cadre of energy use specialists will be available to complete comprehensive in-home energy surveys, either as part of energy efficiency “events” targeted especially to mobile home parks and condominiums or from customer requests. These surveyors will identify appropriate measures for the home, and discuss incentive and financing options. The surveyors will also install water/gas-savings measures such as faucet aerators and low-flow showerheads as well as CFLs. Online and mail-in surveys will also be available.

The collected survey information will be made available for additional communication opportunities, including special “sale” offerings, retailer promotions, and reminders to take advantage of energy efficiency opportunities.

Installation contractors will serve as another primary marketing tool. Using program materials provided by the Project (including a package that outlines the energy savings of various devices, environmental impacts, bill reductions, testimonials, available financing, and utility incentives), these contractors will have the ability to apply incentives at time of sale, making the transaction as streamlined as possible for the consumer. They will also participate in energy events and presentations made to condominium association meetings, at clubhouse events, etc.

### **13. Energy Measures and Program Activities**

The City’ residents and business will continue to enjoy complete access to all of the programs in SoCalGas’ 2006-2008 energy efficiency portfolio. Activities associated with this Project will leverage these existing programs to pursue additional energy efficiency opportunities. Among the opportunities that will be available in the residential market to help reach the Project’s natural gas goals are:

- **Hardware Incentives** — Incentives for the purchase of ENERGY STAR® qualified natural gas furnaces and water heaters paid as a point-of-sale discount instant discount or rebate. Incentives will also be provided for early replacement of inefficient pool heaters with units that exceed current standards by a least 10%. Both residential and non-residential customers will be targeted for early replacements using SoCalGas billing data to identify the most appropriate “candidates.”
- **Early Replacement Furnace Incentives** — Early replacement of furnaces delivered through the Comprehensive HVAC Program. Higher incentive levels will be considered for homeowners and property managers that institute a comprehensive suite of measures including furnace upgrades, building shell improvements, water heating system efficiency improvements. Enhanced outreach efforts will be employed to target high usage customers who could provide the most cost effective natural gas savings from early replacement efforts.

- **Comprehensive Mobile Home** — Direct installs for mobile home occupants and property managers, including HVAC refrigerant charge and air flow tune-up, duct test and seal, occupancy sensors, interior and exterior CFLs, night lights, interior and exterior hardwire fixtures. SoCalGas will support SCE outreach efforts through co-funding of duct sealing activities and will offer higher incentives for installation of a comprehensive set of gas measures including space heating efficiency improvements, water heating system upgrades, and building shell improvements.
- **Multifamily Rebates** — Cash rebates for property owners or managers of multifamily complexes with two or more units that purchase and install high efficiency storage water heaters/boilers, attic and wall insulation, boiler controllers and high efficiency pool heaters. Higher incentive levels will be considered for property managers that institute a comprehensive suite of measures.
- **New Construction** — Reduction in new home natural gas usage will focus on local code changes that promote installation of high efficiency space heating, water heating, and pool heating equipment. The intent of the code changes will be to move new home builders toward the use of condensing furnaces and water heating systems, as well as more extensive use of high efficiency instantaneous natural gas water heaters. Though not proposed at this time, incentives may be provided to home builders for meeting the proposed code changes. For multi-family dwelling promotion of ultra high efficiency combo systems that employ a very high efficiency condensing gas water heater for provision of both space heat and domestic hot water will be encouraged.
- **Comprehensive Commercial Retrofit** — There is ample opportunity to reduce energy consumption in the commercial sector. A portfolio of program strategies will be deployed to systematically and comprehensively address energy savings in each customer segment in the City. Enhanced incentive levels will be considered for customers that implement both space conditioning and water heating (including pool heating) system improvements at the same site.
- **Standard-Offer Financial Incentives** —The Express Efficiency element will provide customers with opportunities to apply for prescriptive type of incentives and calculated approach with more complex projects utilizing the Energy Efficiency Grant Program. Opportunities that will be emphasized include boiler and water heater upgrades, comprehensive HVAC improvements, and food service equipment upgrades. The Energy Efficiency Grant Program will be modified to allow projects with a minimum of 25,000 therms saved as opposed to the 250,000 minimum in the service territory-wide program.
- **Energy Audits** — SoCalGas Account Representatives will continue to perform business audits for medium size non-residential customers. Remote

energy audits will also be available through phone, internet, and mail. These audit activities will be closely coordinated with the Direct Install offering and other Project offerings to minimize and avoid duplication of efforts and conflicts in program offerings.

- **Agriculture and Golf Course Energy Efficiency** —The Agricultural and Golf Course Energy Efficiency offering is a portfolio of products and services designed to enhance adoption of energy efficient equipment and practices among agricultural customers. This offering addresses two characteristics of the sector that have historically been a stumbling block to adoption of energy efficiency throughout all regions of the country, and California in particular: diversity of the customer base, and the relatively small role of natural gas and electricity in their costs.

The program is designed to enhance the energy efficiency of the agriculture sector that include a tests and audits of pumping systems, education and design assistance, financing and incentives, load management, and pilots and feasibility assessments. SCE will provide pumping assessments and provide incentives to replace the motors to more energy efficient units and also include variable frequency drives and controllers. SoCalGas will enhance this effort by introducing natural gas and gas/electric hybrid engine-driven pumps to further reduce peak KW demand when it is in the customer's best interest. The offering will also include a targeted strategy for golf courses ensuring the most energy efficient landscape irrigation options are available to the numerous golf courses in the City.

- **“Emerging Technologies”** — SoCalGas will promote the purchase and installation of solar water heating systems and new, high-efficient natural gas air conditioning systems. Solar water heating systems for commercial and residential pool heating will be the initial targets of these demonstration project efforts.

These opportunities are above and beyond activities associated with SoCalGas' current 2006-2008 portfolio of energy efficiency programs. As such, only activities incremental to the current portfolio will be credited towards the Project.

### **Measures Information**

Measure information is provided in the corresponding cost-effectiveness calculator, as are energy savings and demand reduction estimates for individual measures.

### **Other Activities**

The Project will implement residential On-Line Survey advertising and marketing campaigns to encourage customer participation. The residential On-Line Survey, available on SoCalGas' web site, provides customers with direct access to information on energy and water energy. Customers spend 5-15 minutes to answer specific questions

and instantly receive an analysis of energy use in their homes as well as energy-saving recommendations. On-Line Surveys are available in English, Spanish, Chinese and Vietnamese.

In-Home Energy Surveys provide customers, who may not respond to On-Line surveys, with a more personalized, face-to-face energy survey option. This survey option is particularly important for identifying and qualifying customer for early replacement of space heater, water heaters, and pool heaters. After responding to the energy survey solicitation cards to schedule an in-home survey, a specially trained energy auditor inspects the home and provides the customer with immediate answers to basic questions as well as specific recommendations on how customers can save energy and water. The energy auditor will install low flow showerheads and faucet aerators (if desired by the homeowner), as well as CFLs, in the home and will provide valuable energy-saving information.

For medium size nonresidential customers, facility surveys and audits will be conducted by SoCalGas Account Representatives or third party program implementer staff to make the customer aware of opportunities that may exist to implement energy efficiency projects. These surveys and audits can be initiated through a customer or vendor request to SoCalGas, through SoCalGas' Account Representatives, or third party program staff such as the California Urban Water Conservation Council<sup>2</sup> (CUWCC) implementation staff who will be installing high efficiency pre-rinse spray valves at food service locations. Detailed information will be recorded in a tracking system, including equipment inventories and project recommendations. Recommendations will be followed up periodically to determine implementation status and whether additional assistance will be required to cause a project to be implemented.

For smaller customers, onsite audits may be conducted, or information may be provided through direct mail, email, telephone or other means through the Education, Training and Outreach program. Detailed information will be recorded in a tracking system, including equipment inventories and project recommendations. Recommendations will be followed up periodically to determine implementation status, and whether additional assistance will be required to cause a project to be implemented. If a project resulting from a survey or audit is implemented without design or financial assistance, energy savings will be logged into the tracking system, and claimed toward program goals.

### **Quality Assurance and Evaluation Activities**

SoCalGas and its partners will support the California Public Utilities Commissions' Energy Division staff to evaluate and measure the Palm Desert Partnership in accordance with the adopted program measurement protocols (California Energy Efficiency Evaluation Protocols: Technical, Methodological, and Reporting Requirements for Evaluation Professionals, Dated April 2006).

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<sup>2</sup> SoCalGas and CUWCC have an existing Partnership approved in the 2006 -2008 portfolio.

Quality assurance activities will include “ride-alongs” with the installation contractors and unannounced on-site visits during scheduled installation activity. Post-installation on-site visits will verify that contractor recorded measures have been installed. Program staff will survey customers post-participation for satisfaction ratings and measures installation verification.

### **Expected Number/Percent of Inspections**

It is anticipated that approximately 3% of all participating customers or customer sites will receive quality assurance and inspection efforts.

### **Marketing Activities**

Critical to this Project, and a key driver to making customers take actions to reduce energy use and peak demand, is an outreach and information campaign that continually promotes the efficiency ethic and contains a follow-up mechanism with residents who have expressed interest in efficiency. The survey service will be promoted through a joint SCE/SCG/Palm Desert communication strategy that may include announcements in local media, newsletter articles, direct mail campaigns, etc.

First, a cadre of energy use specialists will be available to complete comprehensive in-home energy surveys, either as part of energy efficiency “events” targeted especially to mobile home parks and condominiums or from customer requests. These surveyors will identify appropriate measures for the home, and discuss incentive and financing options. The surveyors will also install water/gas-savings measures and CFLs. Online and mail-in surveys will also be available.

The collected survey information will be input into a database that can be mined for additional communication opportunities, including special “sale” offerings, retailer promotions, and reminders to take advantage of energy efficiency opportunities.

Installation contractors will serve as another primary marketing tool. Using program materials provided by the Project (including a package that outlines the energy savings of various devices, environmental impacts, bill reductions, testimonials, available financing, and utility incentives), these contractors will have the ability to apply incentives at time of sale, making the transaction as streamlined as possible for the consumer. They will also participate in energy events and presentations made to condominium association meetings, at clubhouse events, etc.

Also included in outreach activities is assistance to City staff, residences, builders and developers in promoting standards that ensure that all new construction and retrofit projects incorporate the most energy efficient designs and measures possible.

**ATTACHMENT C**

**Advice No. 3713**

**E3 Workbook Summary Papers**



Input

A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>SoCalGas Tool 3b2.xls</b>				<b>Program Budget (\$)</b>							
2					a. Administrative Costs							
3	<b>Proposer General Information</b>				a.i. Overhead and G&A		\$ 450,000	d. Incentives and Rebates (\$)		Nominal		NPV
4	Proposer Name		SoCalGas		a.ii. Other Admin costs			d.i. User Input Incentive				\$ -
5	Program Name		Palm Desert Partnership		b. Marketing/Outreach		\$ 500,000	d.ii. Rebate		\$ 932,165	\$ 796,724	
6	Service Territory		SoCal Gas		c. Direct Implementation (non incentive)			d.iii. Direct Install Labor		\$ -	\$ -	
7	<b>First Year of Program Implementation</b>		2006		c.i. Activity			d.iv. Direct Install Materials		\$ -	\$ -	
8	<b>Contact Information</b>				c.ii. Installation		\$ 360,800	Subtotal Direct Install		\$ 932,165	\$ 796,724	
9	Name				c.iii. Hardware & Materials							
10	Address				c.iv. Rebate Processing and Inspection							
11	ZIP code				d. Total Incentives and Rebates		\$ 932,165	f. Costs recovered from other sources				
12	Telephone				e. EM&V		\$ -					
13	Email				<b>Total</b>		\$ 2,242,965	<b>Program Budget w/ Other Costs (a to f)</b>		\$ 2,242,965	<b>Cases where Incentives exceed GIMC</b>	
14												
15	<b>Program Inputs</b>										Financial Incentive (INC) (\$/unit)	
16	Measure Name	DEER RunID	Climate Zone	Target sector	Measure Electric End Use Shape	CZ, Sector, Measure combination found?	Measure Type (To Look up Measure Life)	Program Type (To look up Net-to-gross Ratio)	Unit Definition (e.g. homes)	Rebate (INC) (\$/unit)	Direct Install Labor (\$/unit)	Direct Install Material (\$/unit)
17	<b>Non-Residential - Express &amp; Local Business Energy Eff. Programs</b>											
18	ip	311005-Storage Water Heaters (LRG >75 MBTUH)	System	Misc_Commercial		All other residential programs 0.80	Water Heater - Gas: NR - 15	All other nonresidential programs 0.80	MBtuh	\$ 3.00	\$ -	\$ -
19	ip	311006-Storage Water Heaters (SML <= 75 MBTUH)	System	Misc_Commercial		All other residential programs 0.80	Water Heater - Gas: NR - 15	All other nonresidential programs 0.80	MBtuh	\$ 2.60	\$ -	\$ -
20	ip	311007-Instantaneous Water Heaters (>= 200 MBTUH)	System	Misc_Commercial		All other residential programs 0.80	Water Heater - Gas: NR - 15	All other nonresidential programs 0.80	MBtuh	\$ 0.50	\$ -	\$ -
21	ip	311008-Instantaneous Water Heaters (< 200 MBTUH)	System	Misc_Commercial		All other residential programs 0.80	Water Heater - Gas: NR - 15	All other nonresidential programs 0.80	MBtuh	\$ 2.00	\$ -	\$ -
22	ip	311015-Commercial Boiler (Non-Space Heat, Non-Process)	System	Misc_Commercial		All other residential programs 0.80	Domestic Hot Water Boiler (Gas): NR - 20	All other nonresidential programs 0.80	MBtuh	\$ 0.75	\$ -	\$ -
23	ip	Commercial Pool Heater Upgrade	System	Misc_Commercial		Appliance early retirement and replacement 0.80		10 Appliance early retirement and replacement 0.80	Unit (400 Mt)	\$ 1,000.00	\$ -	\$ -
24	ip									\$ -	\$ -	\$ -
25	ip	311018-Process Boiler - Water	System	Misc_Commercial		All other residential programs 0.80	Boiler - High Efficiency: NR - 20	All other nonresidential programs 0.80	MBtuh	\$ 0.75	\$ -	\$ -
26	ip	311019-Direct Contact Water Heater	System	Misc_Commercial		All other residential programs 0.80	Water Heater - Gas: NR - 15	All other nonresidential programs 0.80	MBtuh	\$ 2.00	\$ -	\$ -
27	ip	311024-Pipe Insulation - Hot Water Applic. (sq ft) 2 in	System	Misc_Commercial		All other residential programs 0.80	Insulation: NR - 20	All other nonresidential programs 0.80	LinearFt	\$ 4.50	\$ -	\$ -
28	ip	311028-Pipe Insulation - Hot Water Applic. (sq ft) 1 in	System	Misc_Commercial		All other residential programs 0.80	Insulation: NR - 20	All other nonresidential programs 0.80	LinearFt	\$ 3.00	\$ -	\$ -
29	ip	314001-EER Convection Oven	System	Misc_Commercial		All other nonresidential programs 0.80	Cooking measures , Assorted: Com - 12	All other nonresidential programs 0.80	Unit	\$ 750.00	\$ -	\$ -
30	ip	314003-EER Griddle	System	Misc_Commercial		All other nonresidential programs 0.80	Cooking measures , Assorted: Com - 12	All other nonresidential programs 0.80	Unit	\$ 187.50	\$ -	\$ -
31	ip	314006-EER Fryer - High Effic. Unit	System	Misc_Commercial		All other nonresidential programs 0.80	Cooking measures , Assorted: Com - 12	All other nonresidential programs 0.80	Unit	\$ 750.00	\$ -	\$ -
32	ip	314016-EER Combination Oven	System	Misc_Commercial		All other nonresidential programs 0.80	Cooking measures , Assorted: Com - 12	All other nonresidential programs 0.80	Unit	\$ 1,125.00	\$ -	\$ -
33	ip	314023-EER Cabinet Steamer Tier I	System	Misc_Commercial		All other nonresidential programs 0.80	Cooking measures , Assorted: Com - 12	All other nonresidential programs 0.80	Unit	\$ 1,125.00	\$ -	\$ -
34	ip	314042-Grant (SPC Equivalent Measure)	System	Misc_Commercial		All other nonresidential programs 0.80	Boiler - High Efficiency: NR - 20	All other nonresidential programs 0.80	Therm	\$ 0.75	\$ -	\$ -
35	ip											
36	ip											
37	ip	<b>Residential - Single Family Program</b>										
38	ip	Gas Storage Water Heater (EF>= 0.62) - early rep RSFM15AVWHGTa	15	Residential		Appliance early retirement and replacement 0.80		13 Appliance early retirement and replacement 0.80	Hot Water T:	\$ 45.00	\$ -	\$ -
39	ip											
40	ip	Central Gas Furnace 90% AFUE - early replacem RSFm1575RFC90	15	Residential		Appliance early retirement and replacement 0.80		18 Appliance early retirement and replacement 0.80	72 kBtuh uni	\$ 150.00	\$ -	\$ -
41	ip											
42	ip	315005-Wall Insulation (blown in, R-0 - R-13)	RSFm1575RW413	15	Residential	AC_Cooling	Insulation - Ceiling / Floor / Walls: Res - 20	All other residential programs 0.80	sqft	\$ 0.23	\$ -	\$ -

Input

A	B	C	D	E	F	G	H	I	J	K	L	M
1	<b>SoCalGas Tool 3b2.xls</b>		<b>Program Budget (\$)</b>									
2			<b>Proposer General Information</b>									
3			<b>Program Budget (\$)</b>									
4	Proposer Name	SoCalGas			a. Administrative Costs				d. Incentives and Rebates (\$)		Nominal NPV	
5	Program Name	Palm Desert Partnership			a.i. Overhead and G&A		\$ 450,000	d.i. User Input Incentive				
6	Service Territory	SoCal Gas			a.ii. Other Admin costs			d.ii. Rebate		\$ 932,165	\$ 796,724	
7	<b>First Year of Program Implementation</b>	2006			b. Marketing/Outreach		\$ 500,000	d.iii. Direct Install Labor		\$ -	\$ -	
8	<b>Contact Information</b>				c. Direct Implementation (non incentive)			d.iv. Direct Install Materials		\$ -	\$ -	
9	Name				c.i. Activity			Subtotal Direct Install		\$ 932,165	\$ 796,724	
10	Address				c.ii. Installation		\$ 360,800					
11	ZIP code				c.iii. Hardware & Materials							
12	Telephone				c.iv. Rebate Processing and Inspection							
13	Email				d. Total Incentives and Rebates		\$ 932,165	f. Costs recovered from other sources				
14					e. EM&V		\$ -	<b>Program Budget w/ Other Costs (a to f)</b>		\$ 2,242,965		<b>Cases where Incentives exceed GIMC</b>
15	<b>Program Inputs</b>											
												<b>Financial Incentive (INC) (\$/unit)</b>
16	Measure Name	DEER RunID	Climate Zone	Target sector	Measure Electric End Use Shape	CZ, Sector, Measure combination found?	Measure Type (To Look up Measure Life)	Program Type (To look up Net-to-gross Ratio)	Unit Definition (e.g. homes)	Rebate (INC) (\$/unit)	Direct Install Labor (\$/unit)	Direct Install Material (\$/unit)

43	ip	315016-Faucet Aerators	RFSM15AVWHFau	15	Residential	All other residential programs 0.80		9 All other residential programs 0.80		\$ -	\$ -	
44	ip	Low Flow Showerhead	RFSM15AVWHSW	15	Residential	All other residential programs 0.80		10 All other residential programs 0.80	Unit	\$ -	\$ -	
45	ip	Pool Heater Upgrade early replacement		15	Residential	Appliance early retirement and replacement 0.80		20 Appliance early retirement and replacement 0.80	Unit (400 Mt: \$ 1,000.00)			
46	ip			15	Residential							
47	ip			15	Residential							
48	ip	<b>Residential - Multi-Family Program</b>										
49	ip	312002-Natural Gas Storage Water Heater (EF>= RMFM15AVWHGTA		15	Residential	All other residential programs 0.80		13 All other residential programs 0.80	Hot Water T: \$	45.00	\$ -	\$ -
50	ip	312004-Attic Insulation (R-49 batts)	RMFM1575RCV30	15	Residential	AC_Cooling	Insulation - Ceiling / Floor / Walls: Res - 20	All other residential programs 0.80	sqft	\$ 0.23	\$ -	\$ -
51	ip	312005-Wall Insulation (blown in, R-0 - R-13)	RMFM1575RW413	15	Residential	AC_Cooling	Insulation - Ceiling / Floor / Walls: Res - 20	All other residential programs 0.80	sqft	\$ 0.23	\$ -	\$ -
52	ip	312008-Central System Natural Gas Water Heater		15	Residential	All other residential programs 0.80		15 All other residential programs 0.80	Unit	\$ 750.00	\$ -	\$ -
53	ip	312009-Central System Gas Boiler: Water Heating Only		15	Residential	All other residential programs 0.80		20 All other residential programs 0.80	Unit	\$ 2,250.00	\$ -	\$ -
54	ip	312010-Central System Gas Boiler: Space and Water Heating		15	Residential	All other residential programs 0.80		20 All other residential programs 0.80	Unit	\$ 2,250.00	\$ -	\$ -
55	ip	312012-Gas Wtr Htr Controller (<30 units) Pre 1970		15	Residential	All other residential programs 0.80		10 All other residential programs 0.80	Unit	\$ 1,125.00	\$ -	\$ -
56	ip	312014-Gas Wtr Htr Controller (>= 30 units) Pre 1970		15	Residential	All other residential programs 0.80		10 All other residential programs 0.80	Unit	\$ 1,500.00	\$ -	\$ -
57	ip	312015-Gas Wtr Htr Controller (<30 units) Post 1970		15	Residential	All other residential programs 0.80		10 All other residential programs 0.80	Unit	\$ 1,125.00	\$ -	\$ -
58	ip	312027-Gas Wtr Htr Controller (>=30 units) Post 1970		15	Residential	All other residential programs 0.80		10 All other residential programs 0.80	Unit	\$ 1,500.00	\$ -	\$ -
59	ip	Low Flow Showerhead	RMFM15AVWHSW	15	Residential	All other residential programs 0.80		10 All other residential programs 0.80	unit	\$ -	\$ -	\$ -
60	ip											
61	ip	<b>Non-Residential - Other</b>										
62	ip	Pre Rinse Spray valve early replacement		System	Misc_ Commercial	Appliance early retirement and replacement 0.80		3 Appliance early retirement and replacement 0.80	valve	\$ -	\$ -	\$ -

	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	BK	BM	BN	BO	BP	
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	<b>Annual Installation Schedule</b>																									
	Gross Incremental Measure Cost (\$/unit)	Gross Unit Annual Electricity Savings (kwh/unit)	Electric Rate Schedule	Demand Scaler	User Entered kW Savings per unit (kW/unit)	Gross Unit Annual Gas Savings (therm/unit)	Gas Sector	Gas Rate Schedule	Gas Savings Profile	Combustion Type	Effective Useful Life (years)	Net-to-Gross Ratio	% Eligible for TOU AC adjustment	2006	2007	2008	2009	2010	2011	2012	Total Number of Units	Incentive Multiplier	total rebate \$	di \$		
17				#N/A																	0					
18	\$ 6.78	0	Commercial	#N/A	0	1.13	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	15.0	80%		0	450	450	0	0	0	0	900	1.5	\$ 2,700	\$ -		
19	\$ 2.69	0	Commercial	#N/A	0	0.66	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	15.0	80%		0	450	450	0	0	0	0	900	1.3	\$ 2,340	\$ -		
20	\$ (1.32)	0	Commercial	#N/A	0	0.5	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	15.0	80%		0	150	150	0	0	0	0	300	1	\$ 150	\$ -		
21	\$ (7.77)	0	Commercial	#N/A	0	1.81	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	15.0	80%		0	1300	1300	0	0	0	0	2600	1	\$ 5,200	\$ -		
22	\$ 3.57	0	Commercial	#N/A	0	0.46	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	20.0	80%		0	100	100	0	0	0	0	200	1.5	\$ 150	\$ -		
23	\$ 3,600.00	0	Commercial	#N/A	0	644	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	10.0	80%		0	100	100	0	0	0	0	200	1	\$ 200,000	\$ -		
24				#N/A																	0	1	\$ -	\$ -		
25	\$ 3.57	0	Commercial	#N/A	0	0.54	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	20.0	80%		0	0	0	0	0	0	0	0	1.5	\$ -	\$ -		
26	\$ 2.17	0	Commercial	#N/A	0	2.45	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	15.0	80%		0	0	0	0	0	0	0	0	1	\$ -	\$ -		
27	\$ 9.22	0	Commercial	#N/A	0	2.9	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	20.0	80%		0	100	100	0	0	0	0	200	1.5	\$ 900	\$ -		
28	\$ 5.67	0	Commercial	#N/A	0	2.6	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	20.0	80%		0	200	200	0	0	0	0	400	1.5	\$ 1,200	\$ -		
29	\$ 3,144.00	0	Commercial	#N/A	0	323	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	12.0	80%		0	24	26	0	0	0	0	50	1.5	\$ 37,500	\$ -		
30	\$ 4,575.00	0	Commercial	#N/A	0	88	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	12.0	80%		0	8	10	0	0	0	0	18	1.5	\$ 3,375	\$ -		
31	\$ 3,796.00	0	Commercial	#N/A	0	505	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	12.0	80%		0	14	14	0	0	0	0	28	1.5	\$ 21,000	\$ -		
32	\$ 21,797.00	0	Commercial	#N/A	0	403	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	12.0	80%		0	2	4	0	0	0	0	6	1.5	\$ 6,750	\$ -		
33	\$ 6,221.00	0	Commercial	#N/A	0	2084	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	12.0	80%		0	2	4	0	0	0	0	6	1.5	\$ 6,750	\$ -		
34	\$ 1.80	0	Commercial	#N/A	0	1	Commercial	Not Used	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	20.0	80%		0	25000	25000	0	0	0	0	50000	1.5	\$ 37,500	\$ -		
35				#N/A																	0		\$ -	\$ -		
36				#N/A																	0		\$ -	\$ -		
37				#N/A																	0		\$ -	\$ -		
38	\$ 175.30	0	Residential	#N/A	0	24.45	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	13.0	80%			350	350	0	0	0	0	700	1.5	\$ 31,500	\$ -		
39																					0	1	\$ -	\$ -		
40	\$ 479.52	0	Residential	#N/A	0	88.8	Residential	Residential	Winter Only	Residential Furnaces (<0.3):Uncontrolled	18.0	80%			650	650	0	0	0	0	1300	1.5	\$ 195,000	\$ -		
41																					0	1	\$ -	\$ -		
42	\$ 1.32	0.702796	Residential	kW	0.000446	0.0992756	Residential	Residential	Winter Only	Residential Furnaces (<0.3):Uncontrolled	20.0	80%			30000	30000	0	0	0	0	60000	1.5	\$ 13,500	\$ -		

	N	O	P	Q	R	S	T	U	V	W	X	Y	Z	AA	AB	AC	AD	AE	AF	AG	BK	BM	BN	BO	BP
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	<b>Annual Installation Schedule</b>																								
16	Gross Incremental Measure Cost (\$/unit)	Gross Unit Annual Electricity Savings (kwh/unit)	Electric Rate Schedule	Demand Scaler	User Entered kW Savings per unit (kW/unit)	Gross Unit Annual Gas Savings (therm/unit)	Gas Sector	Gas Rate Schedule	Gas Savings Profile	Combustion Type	Effective Useful Life (years)	Net-to-Gross Ratio	% Eligible for TOU AC adjustment	2006	2007	2008	2009	2010	2011	2012	Total Number of Units	Incentive Multiplier	total rebate \$	di \$	
43	\$ 7.12	0	Residential	#N/A	0	6.733	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	9.0	80%			3100	3100	0	0	0	0	6200	1	\$ -	\$ -	
44	\$ 22.95	0	Residential	#N/A	0	8.978	Residential	Residential	Annual	Residential Furnaces (<0.3):Uncontrolled	10.0	80%			3100	3100	0	0	0	0	6200	1	\$ -	\$ -	
45	\$ 2,705.00	0	Residential	#N/A	0	276.8	Residential	Residential	Winter Only	Residential Furnaces (<0.3):Uncontrolled	20.0	80%			6	5	0	0	0	0	11	1.5	\$ 11,000	\$ -	
46																					0	1	\$ -	\$ -	
47																					0		\$ -	\$ -	
48											#N/A										0		\$ -	\$ -	
49	\$ 175.30	0	Residential	#N/A	0	10.078	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	13.0	80%			0	100	100	0	0	0	200	1.5	\$ 9,000	\$ -	
50	\$ 0.76	0.4094	Residential	kW	0.0001	0.048273	Residential	Residential	Winter Only	Residential Furnaces (<0.3):Uncontrolled	20.0	80%			0	4000	4000	0	0	0	8000	1.5	\$ 1,800	\$ -	
51	\$ 1.32	0.269937	Residential	kW	0.000193	0.039151	Residential	Residential	Winter Only	Residential Furnaces (<0.3):Uncontrolled	20.0	80%			0	8000	8000	0	0	0	16000	1.5	\$ 3,600	\$ -	
52	\$ 1,701.00	0	Residential	#N/A	0	257	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	15.0	80%			0	20	20	0	0	0	40	1.5	\$ 30,000	\$ -	
53	\$ 4,060.00	0	Residential	#N/A	0	750	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	20.0	80%			0	20	20	0	0	0	40	1.5	\$ 90,000	\$ -	
54	\$ 4,060.00	0	Residential	#N/A	0	1900	Residential	Residential	Winter Only	Residential Furnaces (<0.3):Uncontrolled	20.0	80%			0	20	20	0	0	0	40	1.5	\$ 90,000	\$ -	
55	\$ 1,400.00	0	Residential	#N/A	0	1125	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	10.0	80%			0	20	20	0	0	0	40	1.5	\$ 45,000	\$ -	
56	\$ 1,550.00	0	Residential	#N/A	0	2250	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	10.0	80%			0	20	20	0	0	0	40	1	\$ 60,000	\$ -	
57	\$ 1,400.00	0	Residential	#N/A	0	850	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	10.0	80%			0	5	5	0	0	0	10	1.5	\$ 11,250	\$ -	
58	\$ 1,550.00	0	Residential	#N/A	0	1699	Residential	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	10.0	80%			0	5	5	0	0	0	10	1	\$ 15,000	\$ -	
59	\$ 37.95	0	Residential	#N/A	0	8.063	Residential	Residential	Annual	Residential Furnaces (<0.3):Uncontrolled	10.0	80%			0	600	600	0	0	0	1200	1.5	\$ -	\$ -	
60											#N/A										0		\$ -	\$ -	
61											#N/A										0		\$ -	\$ -	
62	\$ 81.00		Commercial	#N/A		130	Core	Residential	Annual	Boilers (<100 MMBtu/hr Heat Input):Uncont	3.0	80%			0	900	0	0	0	0	900		\$ -	\$ -	

**Program Summary**

<b>Proposer Name</b>	SoCalGas		
<b>Program Name</b>	Palm Desert Partnership		
<b>Total Program Budget (\$)</b>	\$	2,242,965	
<b>Incentives and Rebates (\$)</b>	\$	932,165	\$ 796,724
<b>Net Incremental Measure Cost (\$)</b>	\$	2,106,065	

Avoided Cost Version  
 06/01/2006  
 06/05/2006  
 Base Year  
 2006  
 SoCalGas Tool 3b2.xls  
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**Program Impacts**

	Annual Net kWh	Lifecycle Net kWh	Annual Net Therms	Lifecycle Net Therms	Net Jul-Sept Pk (kW)	Net Dec-Feb Pk (kW)	Net CEC (kW)	User Entered kW
<b>2006-2008</b>	39,810	796,191	703,371	8,613,510	25	2	9	25
<b>2009-2012</b>	-	-	-	-	-	-	-	-

**Cost Effectiveness (Lifecycle Present Value Dollars)**

	Cost	Benefits			Benefit - Cost		
		Electric	Gas	Incentives	NPV	B/C Ratio	Notes
<b>Program TRC (\$)</b>	\$ 3,416,865	\$54,705	\$4,351,979	NA	\$989,819	1.29	*1
<b>Program PAC (\$)</b>	\$ 2,107,524	\$54,705	\$4,351,979	NA	\$2,299,160	2.09	*1,2
<b>Program RIM (\$)</b>	\$ 7,460,871	\$54,705	\$4,351,979	NA	(\$3,054,187)	0.59	*1

\*1 B/C Ratio is an approximation because any supply cost increases are treated as negative benefits rather than as a cost as in the Standard Practice Manual  
 \*2 PAC benefits include environmental costs. This is to be consistent with the TRC benefits, but is not strictly consistent with the Standard Practice Manual.

**Levelized Cost and Benefit (All Measures Installed through 2012)**

	Discounted Savings		Cost	Benefits	Benefit - Cost	
	kWh	Therms			NPV	
<b>TRC (\$/kWh )</b>	373,215		\$ 0.1448	\$ 0.1466	\$ 0.0018	
<b>PAC (\$/kWh)</b>	373,215		\$ 0.0660	\$ 0.1466	\$ 0.0805	
<b>RIM (\$/kWh)</b>	373,215		\$ 0.2482	\$ 0.1466	\$ (0.1016)	
<b>TRC (\$/therm)</b>		4,788,527	\$ 0.70	\$ 0.91	\$ 0.2066	
<b>PAC (\$/therm)</b>		4,788,527	\$ 0.43	\$ 0.91	\$ 0.4739	
<b>RIM (\$/therm)</b>		4,788,527	\$ 1.54	\$ 0.91	\$ (0.6299)	

**Emissions Reductions**

Annual Reductions	Electric Reductions			Gas Reductions		
	CO2 (tons)	NOX (lbs)	PM-10 (lbs)	CO2 (tons)	NOX (lbs)	
2006	-	-	-	-	-	* annual reductions are the units implemented in the year, times the annual emission reduction for the measure.
2007	12	3	2	2,318	3,819	
2008	12	3	2	1,796	2,946	
2009	-	-	-	-	-	
2010	-	-	-	-	-	
2011	-	-	-	-	-	
2012	-	-	-	-	-	
<b>Total Annual</b>	<b>24</b>	<b>7</b>	<b>3</b>	<b>4,115</b>	<b>6,765</b>	
<b>Lifecycle Reductions</b>						
2006	-	-	-	-	-	
2007	241	68	31	25,866	42,261	
2008	241	68	31	24,523	40,014	
2009	-	-	-	-	-	
2010	-	-	-	-	-	
2011	-	-	-	-	-	
2012	-	-	-	-	-	
<b>Total Lifecycle</b>	<b>482</b>	<b>136</b>	<b>61</b>	<b>50,389</b>	<b>82,276</b>	

**Reductions based on total annual installations**

	Annual Net kWh	Lifecycle Net kWh	Annual Net Therms	Lifecycle Net Therms	Net July-Sept Peak (kW)	Net Dec-Feb (kW)	Net CEC (kW)	User Entered kW	Net Annual NCP (kW)
2006	-	-	-	-	-	-	-	-	-
2007	19,905	398,096	396,278	4,421,548	12	1	4.32	12.26	6
2008	19,905	398,096	307,093	4,191,961	12	1	4.32	12.26	12
2009	-	-	-	-	-	-	-	-	6
2010	-	-	-	-	-	-	-	-	-
2011	-	-	-	-	-	-	-	-	-
2012	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>39,810</b>	<b>796,191</b>	<b>703,371</b>	<b>8,613,510</b>	<b>25</b>	<b>2</b>	<b>9</b>	<b>25</b>	<b>25</b>

**Net Impacts by Sector (All Measures Installed through 2012)**

	Annual Net kWh	Lifecycle Net kWh	Annual Net Therms	Lifecycle Net Therms	Net July-Sept Peak (kW)	Net Dec-Feb (kW)	Net CEC (kW)	User Entered kW	TRC Lifecycle Net Benefits* (\$)
<b>Total</b>	<b>39,810</b>	<b>796,191</b>	<b>703,371</b>	<b>8,613,510</b>	<b>25</b>	<b>2</b>	<b>9</b>	<b>25</b>	<b>989,819</b>
Residential	39,810	796,191	422,751	5,948,072	25	2	9	25	989,965
Retail	-	-	-	-	-	-	-	-	-
Office	-	-	-	-	-	-	-	-	-
Misc._Commercial	-	-	280,620	2,665,438	-	-	-	-	(146)