

PUBLIC UTILITIES COMMISSION

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May 11, 2010

Advice Letter 4065-A

Ronald van der Leeden, Director
Rates, Revenues and Tariffs
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**Subject: Supplemental – SoCalGas’ 2010-2012 Energy Efficiency Pilot Programs
and Response to Ordering Paragraph 11h in Compliance with D.09-09-047**

Dear Mr. van der Leeden:

Advice Letter 4065-A is effective April 30, 2010.

Sincerely,

A handwritten signature in blue ink that reads "Julie A. Fitch".

Julie A. Fitch, Director
Energy Division



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April 5, 2010

Advice No. 4065-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Supplemental: SoCalGas' 2010-2012 Energy Efficiency Pilot Programs and Response to Ordering Paragraph 11h in Compliance with D.09-09-047

In compliance with Ordering Paragraphs (OP) 11h and 20 in Decision (D.) 09-09-047, Southern California Gas Company (SoCalGas) hereby submits for filing summary details for its approved pilot program incorporated herein as Attachments B and C. The supplemental filing is being filed at the request of the Energy Division and replaces in its entirety Advice No. 4065.

Purpose

This filing complies with the California Public Utilities Commission's (Commission) directive to submit SoCalGas' 2010-2012 summary details for its Sustainable Communities pilot program plan, and its response to OP 11h within 120 days after the effective date of D.09-09-047.

Background

In D.09-09-047, on September 24, 2009, the Commission approved San Diego Gas & Electric's (SDG&E), SoCalGas', Pacific Gas & Electric's (PG&E), and Southern California Edison's (SCE)¹ 2010-2012 energy efficiency program plans effective January 1, 2010. This decision, among other things, established criteria and requirements for the development and approval of company-specific pilot programs.

To ensure that each of the Joint Utilities' pilot programs achieve the Commission's objectives, OP 20 in D.09-09-047 requires each utility to submit detailed summaries of its pilot programs addressing the predefined elements outlined in the decision. Therefore, in compliance with OP 20, SoCalGas provides revised Attachment B, which summarizes program details for each of the elements for SoCalGas' Sustainable Communities pilot program. See highlighted revisions. The pilot program addresses the following elements:

1. A specific statement of the concern, gap, or problem that the pilot seeks to address and the likelihood that the issue can be addressed cost-effectively through utility programs;

¹ SDG&E, SoCalGas, PG&E, and SCE are hereinafter sometimes referred to collectively as the "Joint Utilities."

2. Whether and how the pilot will address a Strategic Plan goal or strategy and market transformation;
3. Specific goals, objectives, and end points for the project;
4. New and innovative design, partnerships, concepts or measure mixes that have not yet been tested or employed;
5. A clear budget and timeframe to complete the project and obtain results within a portfolio cycle – pilot projects should not be continuations of programs from previous portfolio;
6. Information on relevant baselines metrics or a plan you to develop baseline information against which the project outcomes can be measured;
7. Program performance metrics following the methodology outlined in OP 11;
8. Methodologies to test the cost-effectiveness of the project;
9. A proposed evaluation, measurement, and verification (EM&V) procedures plan; and
10. A concrete strategy to identify and disseminate best practices and lessons learned from the pilot to all California utilities and to transfer those practices to resource programs, as well as a schedule and plan to expand the pilot to utility and hopefully statewide usage.

Furthermore, as required in OP 11, SoCalGas submits a description of its integrated internal management and evaluation structure to ensure increased coordination and information sharing between local and statewide commercial programs amongst the utilities. SoCalGas provides Attachment C which responds to the various elements identified in D.09-09-047 OP 11h.

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

Protest

The Energy Division has clarified that there will be no protest period for this supplemental advice letter.

Effective Date

The effective date of this advice letter will be April 30, 2010, per the Energy Division's instructions dated March 26, 2010.

Notice

A copy of this advice letter is being sent to the parties listed on Attachment A and the interested parties in A.08-07-022.

Ronald van der Leeden
Director
Rates, Revenues and Tariffs

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 904G)**

Utility type:

ELC GAS
 PLC HEAT WATER

Contact Person: Sid Newsom

Phone #: (213) 244-2846

E-mail: SNewsom@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) #: 4065-A

Subject of AL: Supplemental: SoCalGas' 2010-2012 Energy Efficiency Pilot Programs and Response to Ordering Paragraph 11h in Compliance with D.09-09-047

Keywords (choose from CPUC listing): Energy Efficiency, Compliance

AL filing type: Monthly Quarterly Annual One-Time Other _____

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

D09-09-047

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL No

Summarize differences between the AL and the prior withdrawn or rejected AL¹: N/A

Does AL request confidential treatment? If so, provide explanation: No

Resolution Required? Yes No

Tier Designation: 1 2 3

Requested effective date: April 30, 2010

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: _____

Service affected and changes proposed¹: N/A

Pending advice letters that revise the same tariff sheets: _____

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 Ave.,

San Francisco, CA 94102

mas@cpuc.ca.gov and jnj@cpuc.ca.gov

Southern California Gas Company

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¹ Discuss in AL if more space is needed.

ATTACHMENT A
Advice No. 4065-A

(See Attached Service List)

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ATTACHMENT B

2010-2012 Sustainable Communities Pilot

Southern California Gas Company's (SCG) Sustainable Communities (SC) program provides the framework for the design and building of communities that support the environment through energy- and resource-efficiency. SC helps to enhance quality of life by protecting and preserving natural resources and improving economic development. Incentives and other assistance are available to developers, building owners, and design teams that construct highly energy-efficient buildings with sustainable design, and long-term energy-efficiency.

SCG provides its responses below to the various elements identified in D.09-09-047 Ordering Paragraph 20 as it pertains to its 2010-2012 SC Pilot:

1. A specific statement of the concern, gap, or problem that the pilot seeks to address and the likelihood that the issue can be addressed cost-effectively through utility programs;

Issues the Pilot seeks to address include:

1. SCG program offerings work in silos and result in lost savings opportunities at the community level.
 - a. The Pilot will work directly with the Community Developer to achieve integration across community energy end-uses such as buildings, transportation, water, and generation. This allows 100% participation by the community and encourages the developer to be innovative and aggressive in setting energy efficiency and renewable energy goals.

SCG's Supplemental AL response for #1

These objectives will be met by enrolling the various parts of this development into existing EE programs; which have already been evaluated and designed for cost effectiveness. For example the Residential New Construction team will work with Community Developer design teams to facilitate energy efficient design, and SCG will provide incentives based on the level of efficiency achieved.

- b. Working through the Community Developer will enable SCG to influence multiple types of consultants (architects, landscape architects, urban designers, transportation engineers, mechanical and electrical engineers), trades (mechanical, electrical, plumbing, roofing, and renewable installers) and supply chain partners such as manufacturers as well as local governments.

2. Program cycles are too short for stakeholders with long-term planning and development horizons. Three-year program cycles ignore market conditions and long project lead-times.
 - a. This program resolves this by proposing a sufficient timeline that allows for full program integration into the development plan. Master-planned communities typically have twenty year planning horizons. Front-loading the program recommendations will maximize market transformation and allow the program benefits to properly deliver over the full length of the master development process.

2. Whether and how the pilot will address a Strategic Plan goal or strategy and market transformation;

SB will utilize the direction of the California Long-Term Energy Efficiency Strategic Plan (CLTEESP) to address strategic goals and market transformation.

Specific CLTEESP goals that the Pilot will target include:

1. SCG's Residential Goals
 - a. *New construction will reach "zero net energy" (ZNE) performance (including clean, onsite distributed generation) for all new single and multi-family homes by 2020 (Goal 1).* The Pilot guides the target community toward this goal by setting beyond-code minimums in the interim, which facilitates building to ZNE in the target timeframe.
 - b. *Home buyers, owners and renovators will implement a whole-house approach to energy consumption that will guide their purchase and use of existing and new homes, home equipment (e.g., HVAC systems), household appliances, and "plug load" amenities (Goal 2).* The Pilot will incorporate a Learning Center within the development to educate builders and homeowners as well as provide the Community Developer access to SCG's full gamut of energy efficiency programs.

SCG's Supplemental AL response for #2a & b

SCG will generate a buzz about the Learning Center through the creation of a comprehensive outreach plan. This plan will highlight the benefits of the Learning Center and targeted at all of the residents of RMV

2. Residential Strategies
 - a. *Building Innovation: Drive continual advances in technologies in the building envelope, including building materials and systems, construction methods, distributed generation, advanced metering infrastructure, and building design, and incorporate technology advances into codes and standards (Strategy 1).* The Pilot will provide design assistance for builders, during which SCG will push for the incorporation of innovative building practices.

- b. *Comprehensive Solutions: Develop, offer and promote comprehensive solutions for single and multi-family buildings, including energy efficiency measures, demand management tools and real-time information, and clean distributed generation options in order to maximize economic decision-making and energy savings (Strategy 2).* The Pilot's integrated approach will include a comprehensive array of strategies including energy-efficiency measures, educational opportunities for demand response actions, and smart meters.
- c. *Customer Demand: Create high levels of customer demand for progressively more efficient homes through a coordinated statewide public education campaign and targeted incentive programs (Strategy 3).* The incorporation of a Learning Center within the development is proposed to help educate and build awareness of energy efficiency, renewable generation and sustainable measures that have been or can be incorporated in the development. Findings from the Pilot will be shared with the statewide IOUs.
- d. *Codes and Standards: Adopt aggressive and progressive minimum energy codes and standards for buildings and plug loads, effective code compliance and enforcement, and parallel, tiered voluntary energy efficiency standards that pull the market along and set a higher bar for subsequent standards (Strategy 6).* 80% of residential projects must be at least 35% better than Title 24. 75% of commercial square footage must be at least 20% better than Title 24 by 2012. 20% of new residential will be zero net energy by 2012.

SCG's Supplemental AL response for #2c

- i. *CEESP calls for the following better than 2005 Title 24 standard:*
 - 1. *By 2011 50% of new homes must be 35% better than 2005 Title 24 energy code.*
 - 2. *By 2011 10% of new home must be 55% better than 2005 Title 24 energy code.*
 - 3. *By 2015 90% of new homes must be 35% better than 2005 Title 24 energy code.*
 - 4. *By 2020 all new homes will achieve ZNE.*
- ii. *The CEESP as modified by D.09-09-047:*
 - 1. *By 2011 50% of new homes will be 20% better than 2008 Title 24 energy code.*
 - 2. *By 2011 10% of new homes will be 40% better than 2008 Title 24 energy code.*
- iii. *As a pilot, SC is driving the market beyond reach goals currently set by the CEESP and D.09-09-047 by establishing the following targets:*
 - 1. *During program cycle 2010-2012 80% of new homes must be at least 20% better than 2008 Title 24.*
 - 2. *20% of new residential will be zero net energy by 2012.*
 - 3. *During program cycle 2010-2012 75% of commercial square footage must be at least 20% better than 2008 Title 24 by 2012.*

3. Commercial Goals

- a. *New construction will increasingly embrace ZNE performance (including clean, distributed generation), reaching 100 percent penetration of new starts in 2030 (Goal 1).* The Pilot sets increasingly rigid energy efficiency goals that provide a workable path to achieving this goal. Specifically, at least 75% of commercial square footage must be 20% better by 2012.

SCG's Supplemental AL response for #2d

Precedents were established during previous Savings By Design (SBD) program cycles.

4. Commercial Strategies

- a. *Codes and Standards: Adopt aggressive and progressive minimum energy codes and standards for buildings and plug loads, effective code compliance and enforcement, and parallel, tiered voluntary energy efficiency standards (Strategy 1).* The Pilot sets increasingly rigid energy efficiency goals that provide a workable path to achieving this goal. Specifically, at least 75% of commercial square footage must be 20% better by 2012.
5. Market Transformation, defined as, "Long-lasting sustainable changes in the structure or functioning of a market achieved by reducing barriers to the adoption of energy efficiency measures to the point where further publicly-funded intervention is no longer appropriate in that specific market."
- a. The Pilot seeks to achieve this lasting market transformation for master planned communities through implementation of all five policy tools.
 - i. Customer incentives - Incentives will be provided for an array of energy efficiency measures, aimed at the whole building, plug loads, DR, etc.
 - ii. Codes and Standards - The Pilot sets the bar beyond Title 24 levels so as to make increasingly stringent future codes viable.
 - iii. Education and Information - The incorporation of a Learning Center within the development is proposed to help educate and build awareness of energy efficiency, renewable generation and sustainable measures that have been or can be incorporated in the development.
 - iv. Technical Assistance - Design assistance will be provided to participating engineers, architects, planners, and builders. The program will encourage innovative and less traditional approaches to meeting and exceeding sustainability goals.
 - v. Emerging Technologies (ET) - The ZNE Home and SBD Sub Programs are expected to interact extensively with the ET Program to ensure new and emerging technologies are showcased and/or piloted through ZNE home case study projects.

SCG's Supplemental AL response for #2e

The ET Program will have an opportunity to showcase emerging technologies at the Learning Center. These technologies may include ones that are used at RMV or technologies that are on the horizon.

3. Specific goals, objectives and end points for the project;

SCG's Supplemental AL response for #3a & e

1. Specific quantitative program targets include the following:

Sustainable Communities Case Studies Program	Program Target by 2012
Savings By Design	75% of Commercial square footage at 20% better than Title 24
California Advanced Home Program	80% of New Homes at 20% better than 2008 Title 24
Zero Net Energy Home	20% of new homes to be ZNE by 2012

2. Qualitative goals include the education and training of builders, system operators, and homeowners within the master development, successful partnership and deliverance of a comprehensive energy efficiency program offering, and successful integration across other resource types (water, air quality, open space, etc).

SCG's Supplemental AL response for #3b

Since this is a RNC-type program, SCG intends to coordinate with its RNC program to develop appropriate metrics to ensure cost efficiencies in the development and tracking of similar metrics for similar types of programs.

SCG's Supplemental AL response for #3c

3. SCG's completion of the Learning Center will be a key accomplishment. SCG envisioned the Learning Center to be similar to an Energy Resource Center that would encompass other information and programs beyond Energy Efficiency, e.g., Renewables, CSI, Alternative Fuel Vehicles. The development and completion of this concept would depend on these other programs' contribution to the Center. RMV will also need to commit to this project. In the interim, SDG&E and SCG have existing ERCs that can provide similar learning opportunities.

4. Savings By Design will target commercial projects to exceed Title 24 by at least 10%. Due to SC pilot program status, projects are being targeted at the 20% level instead.

4. New and innovative design, partnerships, concepts or measure mixes that have not yet been tested or employed;

1. Design - SC will be SCG's flagship program providing the path for all other programs to meet California's long-term energy-efficiency goals, including NZE homes by 2020. SC enables enhanced market transformation resulting in measurable energy

efficiency, integrated demand response, distributed generation, renewables and natural resource savings while optimizing long-term ecological, social and economic health of California. It accomplishes this by comprehensively integrating the 'vertical' development (buildings and their components) with the 'horizontal' development (land and utility and transportation infrastructure) over the full planning horizon.

2. Design - The Pilot is being developed with sustainability as its guiding principle and addresses several concepts not previously considered by an IOU program, including: Interdependence of humanity and nature, intergenerational stewardship, optimized value, design with natural systems, conservation of natural resources, high-performance design technologies, resource-efficient healthy materials, elimination of waste, and multi-modal transportation.
3. Partnerships - The pilot will engage with CEC, DOE, MWD and other government agencies responsible for various aspects of New Construction in California.

SCG's Supplemental AL response for #3d & 4b

The program intends to provide a common platform for various agencies to work with a new construction builder and project management team so that their individual green programs can be incorporated simultaneously as the building projects are designed, planned and built. The EESP provides the opportunity, which did not previously exist, to engage other institutions and agencies to collaborate on these types of projects.

4. Concepts - The Green Energy Systems (GES) program will explore the potential for utility ownership of major energy efficiency equipment to facilitate the installation of the highest efficiency HVAC systems in commercial buildings. The program recognizes that building owner financing is constrained and without utility ownership, the system design will not maximize energy savings. The objective of GES is to capture energy efficiency opportunities that would otherwise be lost for the 20 to 30 year life of the HVAC equipment. This Pilot will build on the success of the SB program that incorporates utility ownership of clean energy generation systems on customer facilities.

SCG's Supplemental AL response for #4a

Per page 277 of D. 09-09-047, where the company would finance major energy systems, if the Commission supports this direction the utilities will file an AL seeking specific authorization to proceed.

5. A clear budget and timeframe to complete the project and obtain results within a portfolio cycle - pilot projects should not be continuations of programs from previous portfolios;

1. Budget (per Chapter II, Appendix C, Table 4.1
 - a. 2010 – \$275,883

- b. 2011 – \$275,883
 - c. 2012 – \$276,683
 - d. Total – \$828,449
2. Timeline of completion
- a. The Pilot is currently scheduled through the end of 2012 but the master development and results will continue for up to 20 years, or 2030.
3. Timeline of results
- a. Some results will be available annually; a more comprehensive study will be completed at the end of the 3-year cycle.

SCG's Supplemental AL response for #5a & b

4. The 2006-2008 SC program focused on furthering commercial new construction beyond the reaches of SBD. The 2006-2008 SC program focused on incorporating several green initiatives within a building or multi-family complex with the goal of becoming LEED qualified. The 2010-2012 SC Pilot seeks a more comprehensive approach by actually taking a “master” community approach with mixed use. The program seeks to incorporate residential new construction with commercial new construction and addressing other community infrastructures.

6. Information on relevant baselines metrics or a plan to develop baseline information against which the project outcomes can be measured;

Relevant baseline metrics include the Title 24 standards which the development would be held to without the implementation of the Pilot Program. Title 24 standards include an energy usage allotment for all new developments. The completed residences and commercial projects located within Rancho Mission Viejo can be compared to these energy allotments.

SCG's Supplemental AL response for #6a

Model-meter ratios do not always correspond accurately, and will need to be considered.

7. Program performance metrics following the methodology outline in Ordering Paragraph 11;

Please refer to Appendices 2 and 3.

8. Methodologies to test the cost-effectiveness of the project;

The Statewide IDSM program is tasked with developing an appropriate cost effectiveness methodology for integrated projects/pilots. The methodology will be used for this pilot as it becomes available.

9. A proposed EM&V plan; and

The Statewide IDSM program is tasked with developing appropriate EM&V protocols for integrated projects/pilots. The EM&V protocols will be used for this pilot as it becomes available.

In addition to implementing the IDSM EM&V protocols, the discussion below in Appendix 1 presents an additional evaluation plan for the SB Pilot.

10. A concrete strategy to identify and disseminate best practices and lessons learned from the pilot to all California utilities and to transfer those practices to resource programs, as well as a schedule and plan to expand the pilot to utility and hopefully statewide usage.

The Statewide IDSM program is tasked with identifying best practices and lessons learned from these types of pilots. SCG will provide to the IDSM Task Force all relevant evaluation work to allow lessons learned from this pilot to be disseminated. In addition, the final EM&V report will be posted on the CALMAC website so that the evaluation findings and lessons learned from the Pilot Program are available to all California utilities. In addition, the evaluator will conduct a public workshop to present the final study findings to affected stakeholders and interested parties.

SCG's Supplemental AL response for #7a & b

Energy Division staff shall be notified of and invited to this workshop.

APPENDIX 1

EM&V PLAN

This document presents an evaluation plan for the SB Case Studies Rancho Mission Viejo pilot program that is being proposed by SoCalGas and San Diego Gas & Electric Company.

SCG's Supplemental AL response for #8a & b

The pilot program, integrated with the broader Sustainable Communities Case Studies program, provides funding and support for the Ranch Plan that is being developed by the Rancho Mission Viejo Company in South Orange County. Sustainability is the guiding principle of the development, while also specifically addressing energy use, air pollution, greenhouse gases, water use and storm water and runoff. The pilot program is targeting Planning Area 1 (PA1), the first phase of development, to initiate an analysis of the increased focus on sustainable building design that can be achieved through early intervention in the design process.

EVALUATION OVERVIEW

The primary purpose of the evaluation will be to assess the effectiveness of the pilot in meeting its strategic objectives:

- Providing a valuable case study that will inform the direction of the broader utilities' SB program
- Coordinating resources across multiple utility and non-utility funding sources
- Providing a model to successfully implement the programmatic initiatives found in the Strategic Plan

The evaluation will also assess the effectiveness of the pilot program's key implementation strategies:

- Intervening early in the development process by targeting the community developer to influence consultants, trades, supply chain partners and local governments
- Providing tools, design assistance and resources to measure energy and environmental impacts of the development

Finally, the evaluation will provide an independent review of program data and analysis concerning energy efficiency savings plans associated with the development (if available). The evaluation may also review data related to development plans to address air pollution, greenhouse gases, water use and storm water and runoff, but the primary focus of the quantitative analysis will be on energy efficiency. Later evaluations are likely to directly assess energy savings (and possibly environmental) impacts associated with this pilot effort.

The following sections describe the expected tasks required to meet the evaluation objectives.

TASK 1 - REVIEW OF PROGRAM MATERIALS

The evaluation process should include a review of all available promotional materials, training and educational materials, and survey reports that relate to the Pilot Program. This task will include an assessment of the effectiveness of the marketing and educational materials, and will be supplemented by findings from in-depth interviews described below. Suggestions for improving the marketing and educational materials will be included in the evaluation report.

TASK 2 - LOGIC MODEL AND PROGRAM THEORY

As part of the evaluation, a logic model and program theory will be developed for the Pilot Program. The logic model is a key evaluation component that needs to be completed early in the evaluation, as it will reveal underlying market assumptions and program activities that need to be addressed in the subsequent evaluation tasks. The logic model will help to identify important program assumptions that should be tested during primary data collection. The basis of the logic model will be program materials and interviews with program staff.

TASK 3 - IN-DEPTH INTERVIEWS

In-depth interviews will be conducted with a wide range of program actors to evaluate the effectiveness of the program in meeting its objectives. Interviews will be conducted with at minimum:

- SCG and SDG&E program managers (Pilot program, core programs, Savings by Design, California Advanced Homes Program, New Solar Homes Partnership Program, Zero Net Energy Homes)
- Participating developers, builders, designers, trade allies
- Participating local government agencies

Topics for program managers will include:

- Program implementation effectiveness and efficiency
- Revisiting program up-front assumptions
- Identifying market barriers and discussing the effectiveness of program strategies to reduce or eliminate them
- Effectiveness of program materials and tools
- Lessons learned from the case study and identification of best practices
- How the case study experience is being leveraged by the broader SB programs

- How utility programs and funding sources are being coordinated
- Gaps in funding sources, other resource constraints
- Progress towards Strategic Plan goals
- Engagement of developers, builders and trade allies
- Coordination across other non-utility agencies

Topics for trade allies, etc. will include:

- Communication and coordination with the utility and among trade allies
- Effectiveness of utility resources including funding, materials, tools and design assistance
- Gaps in resources
- Successes and challenges associated with the development
- Progress towards meeting sustainability and environmental goals
- Lessons learned and identification of best practices

TASK 4 – REVIEW OF PROGRAM ENERGY AND ENVIRONMENTAL IMPACTS

This task includes collection and review of pilot program energy savings data associated with the development. The pilot program is providing key resources to the developer to evaluate the energy and environmental impacts to support sustainable design decision-making. The evaluation will provide an independent assessment of the development plans primarily related to energy, but also including the environmental impacts to the extent feasible.

TASK 5 - REPORTING

The evaluation methods and analysis results will be documented in a final written report, which will include the following sections:

1. **Executive Summary.** This will be written as a non-technical summary of all the major components of the study, including a description of the data collection and analysis methods and a summary of the study results and recommendations.
2. **Introduction.** The section will provide background for the study and discuss the evaluation objectives. A description of the program design, implementation processes, and the measures covered should be included.

3. **Evaluation Methodologies.** This section will provide a detailed description of each of the major research and analysis components completed for the evaluation. The logic model and program theory will also be included in this section.
4. **Analysis Results.** This section will contain all of the analysis results from the methods discussed in the Section 3. Key elements of this section will be:
 - a. Effectiveness of utility program resources including design assistance and training
 - b. Effectiveness of coordination across utility programs and funding sources
 - c. The program's influence on the developers, builders, trade allies and local governments
 - d. Ability of the pilot program to meet Strategic Plan goals
 - e. Lessons learned and best practices identified from the case study
 - f. Assessment of the likely energy and environmental impacts that are likely to be associated with the development
5. **Conclusions and Recommendations.** This section will present evaluation conclusions and recommendations for the Pilot Program based on the findings presented in Section 4. Recommendations for both the program implementation and potential future evaluations will be provided.
6. **Appendices.** The appendices will contain all additional evaluation documentation and technical information (e.g., survey instruments, and survey result tabulations) that are not contained in the main body of the report.

Appendix 2

Program Performance Metrics

Sustainable Communities Rancho Mission Viejo Pilot Program

1. Include a list of the utility and program administrator staff directly involved in deriving the program performance indicator metric. Include their title and contact information.

Chip Fox, manager

2. Describe each program performance indicator being proposed for this program. Indicate in a description for each, what type of performance indicator it is (see attached above). If the program indicator is being changed from an already approved program indicator indicate why the change is necessary. Provide additional analysis that adequately justifies the need to revise the metric as an attachment to this worksheet.

Proposed metric: Percent of residential projects exceeding Title 24 standards by at least 35 percent.

Proposed metric: Percent of commercial projects exceeding Title 24 standards by at least 20 percent.

Proposed metric: Percent of new residential homes that are zero net energy.

SCG's Supplemental AL response for #9a, b & c

9a. See updated targets in section 3.1 above.

9b. An essential component of this program is indeed the "SB Model" tool. Since SCG does not own the tool, we will work with CTG and RMV to set-up a meeting to demonstrate the tool for the Energy Division. The meeting can be scheduled around the end of April/early May subject to all interested participants' availability.

9c. See targets in section 3.1 above.

3. For each program performance metric being proposed, indicate why you have selected them including how the metric meets the SMART convention (Specific, Measurable, Actionable, Relevant, Timely)

Sempra selected these metrics because of their adherence to the SMART convention that is relevant for metrics:

- Specific: Provides a defined level of program participation.
- Measurable: Results can be tracked by program staff.
- Actionable: Interim actions can be taken to modify program participation.

- Relevant: It is direct measurement of program participation.
- Timely: Results can be reported on a quarterly and annual basis.

4. State the program mission. The program mission is the basic purpose of a program, its reason for existing, and the general means through which it will accomplish its purpose in view of overarching goals and objectives (CEESP, BBEES, CPUC EE Goals).

SCG's SB Case Studies program focuses on the Ranch Plan that is being developed by the Rancho Mission Viejo Company ("RMV"). This South Orange County project comprises 23,000 acres with 75% preserved as open space. There will be six villages developed over a twenty-year timeframe consisting of 14,000 units with 5,200,000 square feet of commercial construction including schools and a hospital.

The project is being developed with sustainability as its guiding principle and addresses:

- Interdependence of humanity and nature
- Intergenerational stewardship
- Optimized value
- Design with natural systems
- Conservation of natural resources
- High-performance design technologies
- Resource-efficient healthy materials
- Elimination of waste
- Multi-model transportation
- Innovation, education, and ongoing evolution

The project will also address quantitative environmental metrics of:

- Energy use
- Air pollution
- Greenhouse gases
- Water use
- Storm water and runoff

The tools developed, results achieved and lessons learned from the RMV pilot have direct application Statewide and will be shared to further advance sustainable development elsewhere in California. This provides a much-needed proving ground serving to enrich sustainable community development at a cost-effective level unattainable through traditional approaches.

5. Describe the program performance goals (both internal and external), standards, and/or benchmarks. Program goals should support the programs' overall mission and are general statements about the results to be produced by the program. If program goals are being revised from previous program goals indicate why the change is necessary providing additional analysis to justify the change.

CEESP Section 2 – Goal 1:

Residential New Construction will reach “zero net energy” (ZNE) performance for all new single and multi family homes by 2020.

CEESP Section 3 – Goal 1:

Commercial new construction will increasingly embrace zero net energy performance (including clean, on site distributed generation), reaching 100% penetration of new starts in 2030.

6. Describe the critical work processes, program requirements, and critical results desired (both internal and external) linked to promotion of the program mission and goals above.

CEESP Section 2 – Goal 1:

Drive continual advances in technologies in the building envelope, including building materials and systems, construction methods, distributed generation, and building design. (CEESP Strategy 1-1)

CEESP Section 3 – Goal 1:

- Establish a long-term progressive path of higher minimum codes and standards ending with ZNE codes and standards for all new buildings by 2030. (CEESP Strategy 1-1)
- Expand Titles 20 and 24 to address all significant energy end uses. (CEESP Strategy 1-2)
- Develop innovative financial tools for ZNE and ultra-low energy *new* buildings. (CEESP Strategy 1-4)
- Develop a multipronged approach to advance the practice of integrated design. (CEESP Strategy 1-6)

7. Describe how the proposed program performance metrics are a measure of the critical work processes or critical results identified above.

The proposed metrics will measure the extent to which new residential and commercial projects in Rancho Mission Viejo are exceeding the above-code targets set by the program. These metrics will give an indication of the progress made toward the end goal of bringing zero net energy homes and buildings into the market.

8. Describe what the program objectives are. Program objectives are the

specific milestones and targets to be achieved to which the proposed program performance metrics seek to measure. Program objectives should be chosen that promote accomplishment of the program goals and should meet the SMART convention described above. If the program objectives are being revised from previous program objectives indicate why the change is necessary. Provide additional analysis to justify this change.

The program objectives for the SB Rancho Mission Viejo pilot program are:

- 80 percent of residential projects at least 35 percent better than Title 24 by 2012
- 75 percent of commercial square footage at least 20 percent better than Title 24 by 2012.
- 20 percent of new residential construction to be zero net energy by 2012.

These program objectives meet the SMART convention as defined for objectives:

- Specific: Provide specific objectives to be met
- Measurable: Measurable using program tracking data
- Ambitious: Levels are set above the current pace of the market
- Realistic: It is achievable within the time period given
- Time bound: The objectives are intended to be achieved by 2012

9. Describe how the metrics will be collected, what data source they will come from, and how they will be tracked and reported.

Information for the first metrics will be collected as a part of program tracking data as projects are completed. The program data will provide a defined number of projects and the level of their compliance over Title 24. The metrics will be reported on a routine basis as directed by the CPUC.

10. Attach a program logic model that graphically represents what has been described in this worksheet. Logic models should depict the flow between program activities, their outputs, and subsequent short term, intermediate, and long term outcomes as well as how program elements are linked and the influence of external influences. Proposed program performance indicators should be incorporated at the appropriate locations within the logic model indicating what program activities and outcomes within the model will be measured both internal and external to the program (see example above).

The following box will be inserted in the California New Homes Program logic model after the Short-term Outcome “Completed Projects”:

Percent of residential projects exceeding Title 24 standards by at least 35 percent.

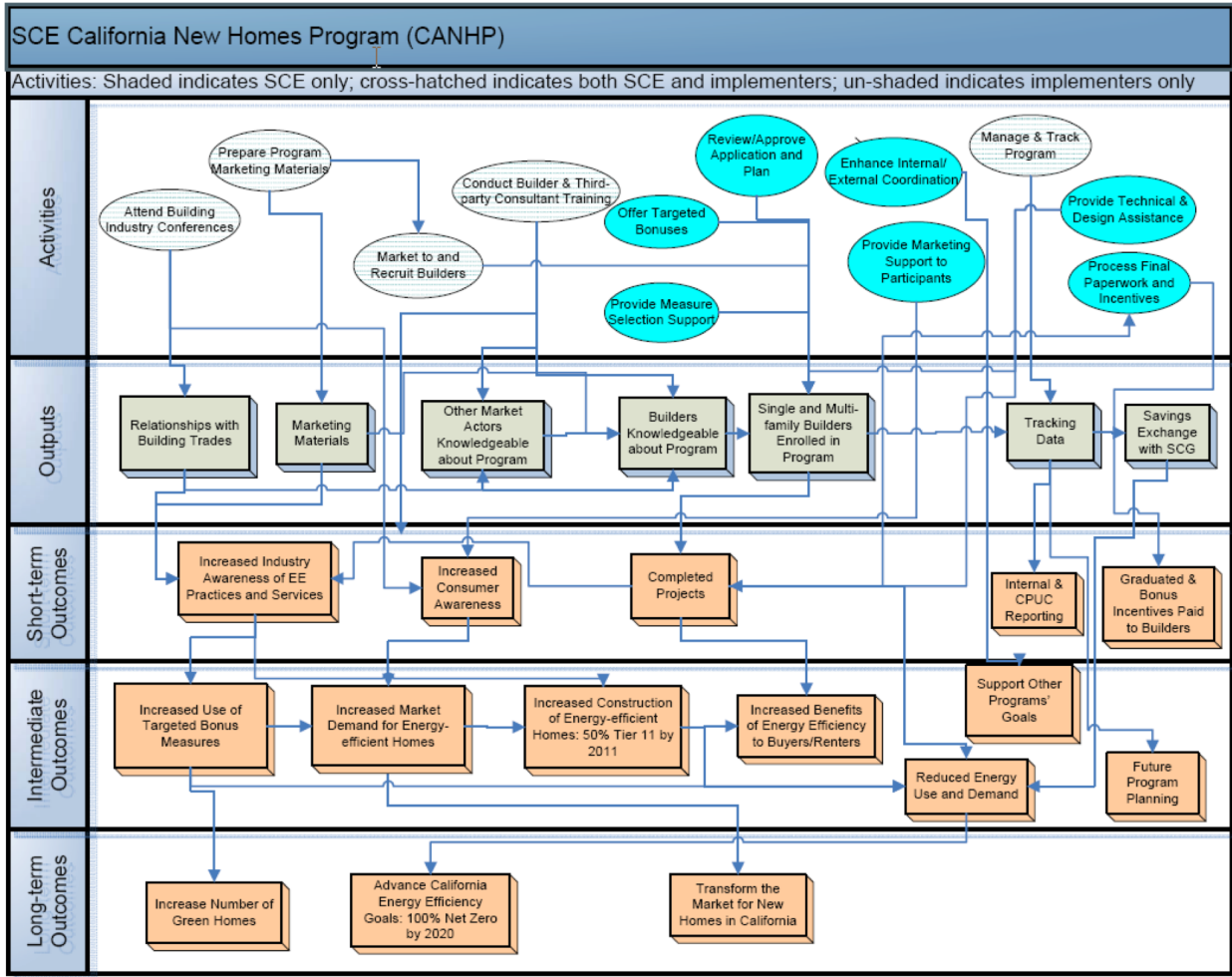
The following box will be inserted in the Savings by Design logic model after the Program Output “Continue WBA & SA. Implement new Simplified Approach for small projects”:

Percent of commercial projects exceeding Title 24 standards by at least 20 percent.

The following box will be inserted in the California New Homes Program logic model after the Short-term Outcome “Completed Projects”:

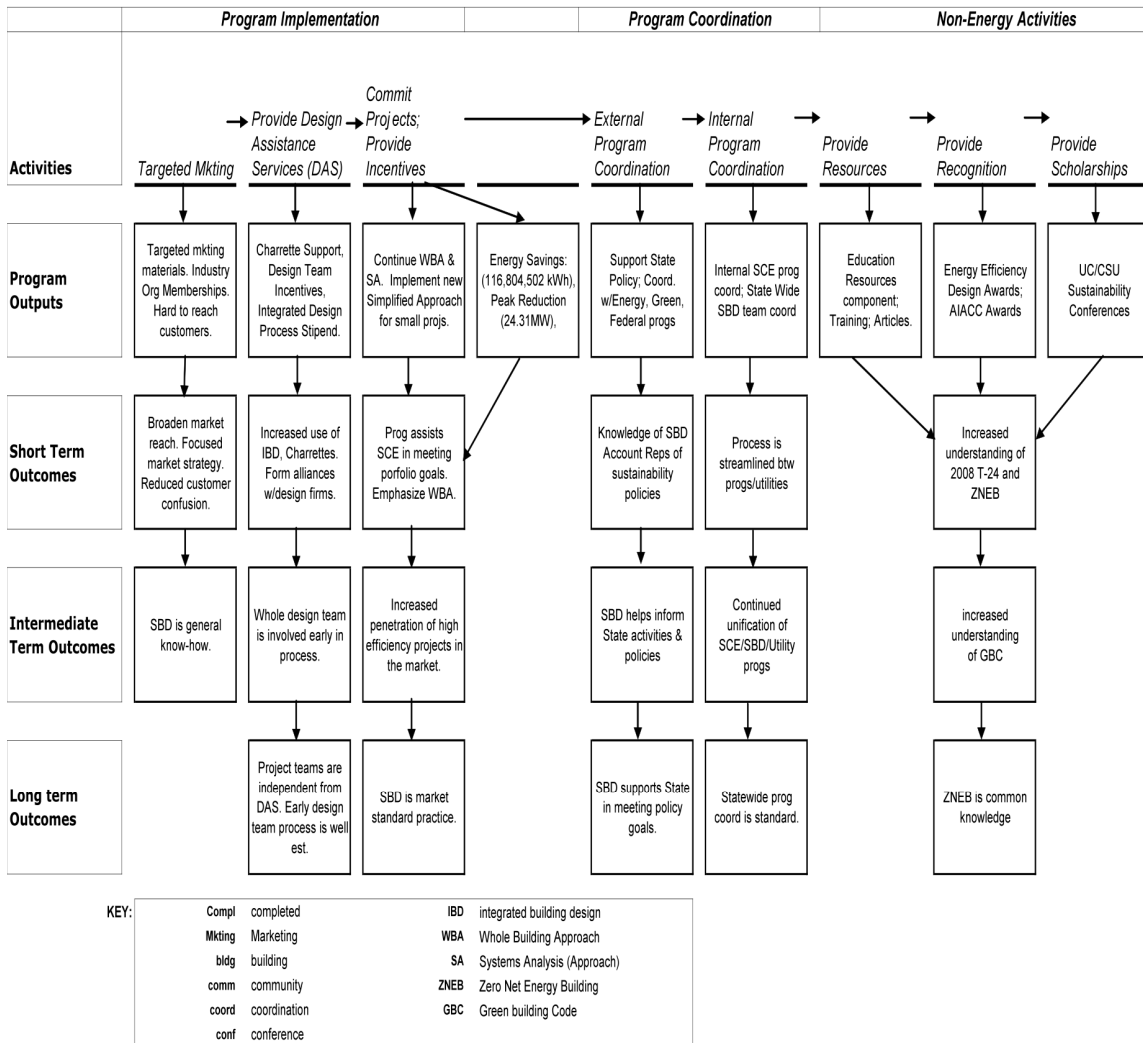
Percent of new residential homes that are zero net energy.

California New Homes Program Logic Model



Savings by Design Logic Model

Savings by Design DRAFT 2009-2011 Logic Model



11. Include a completed Program Performance Indicator Table as an attachment to this worksheet (see example below).

See Appendix 3

APPENDIX 3

PERFORMANCE METRICS

Program Sector	Program Name	Program #	IOU Program Goals	Strategic Planning Strategy	2010-2012 Strategic Milestones
Sustainable Communities - Rancho Viejo Pilot	Core		<p>CEESP Section 2 – Goal 1: Residential New Construction will reach “zero net energy” (ZNE) performance for all new single and multi family homes by 2020.</p> <p>CEESP Section 3 – Goal 1: Commercial new construction will increasingly embrace zero net energy performance (including clean, on site distributed generation), reaching 100% penetration of new starts in 2030.</p>	<p>CEESP Section 2 – Goal 1: Drive continual advances in technologies in the building envelope, including building materials and systems, construction methods, distributed generation, and building design. (CEESP Strategy 1-1)</p> <p>CEESP Section 3 – Goal 1: - Establish a long-term progressive path of higher minimum codes and standards ending with ZNE codes and standards for all new buildings by 2030. (CEESP Strategy 1-1) - Expand Titles 20 and 24 to address all significant energy end uses. (CEESP Strategy 1-2) - Develop innovative financial tools for ZNE and ultra-low energy new buildings. (CEESP Strategy 1-4) - Develop a multipronged approach to advance the practice of integrated design. (CEESP Strategy 1-6)</p>	<p>- 80 percent of residential projects at least 35 percent better than Title 24 by 2012.</p> <p>- 20 percent of new residential construction to be zero net energy by 2012.</p> <p>- 75 percent of commercial square footage at least 20 percent better than Title 24 by 2012.</p>

Supplemental Question 10:

It is the responsibility of the builder to employ a HERS inspector and the necessary third party technical support to ensure that the compliance of the buildings with state building codes and to validate meeting the program's requirements. SCG will work with the builders to provide their sales force with adequate training that will allow them to promote green sustainable concepts to potential new home buyers and commercial property management companies.

ATTACHMENT C

SoCalGas provides its response below to the various elements identified in D.09-09-047 Ordering Paragraph 11 h:

OP #11 h: Southern California Gas Company and San Diego Gas & Electric Company shall include a description of an integrated internal management and evaluation structure that will ensure increased coordination and information sharing between these local and the statewide commercial programs, both within utility and between utilities.

SoCalGas Response:

SDG&E and SoCalGas' Customer Programs organization is responsible for the oversight and implementation of the Energy Efficiency (EE) Programs and Demand Response Programs (DRP, SDG&E-only). The department was reorganized in 2006 such that the EE and DR programs are managed as follows: with a Residential segment supervisor, a Commercial segment supervisor, an Industrial segment supervisor, all under the Residential/Commercial/Industrial/Agricultural Segment Manager (SoCalGas only); a New Construction segment Manager (SDG&E and SoCalGas—referred to as Dual-Utility function); Engineering Support Manager (Dual-Utility function); Codes & Standards Manager (Dual-Utility function); Partnership Manager (Dual-Utility function); Market Analysis (now Strategic Planning; Dual-Utility function); Policy & Support Manager (Dual-Utility function) and Emerging Technologies (ET) Manager (Dual-Utility function); SDG&E Residential Segment Manager (EE and DRP) and SDG&E Com/Ind/Ag Segment Manager (EE and DRP). These Managers, with the exception of the ET Manager¹ report to the Customer Programs Director, who is responsible for the administration and implementation of Energy Efficiency and Demand Response program

¹ The ET Manager reports administratively to an RD&D department but program management is under the oversight of the Customer Programs Director.

portfolios at both SoCalGas and SDG&E.

Moving forward into 2010, SoCalGas and SDG&E are enhancing their comprehensiveness and integration by restructuring how programs are designed and managed. In the past its programs were managed across the residential and non-residential markets uniformly. Beginning in 2010, the program management staff will consist of two primary groups—the segment advisors and the program advisors. The segment advisors will be responsible for segments rather than specific programs. The goal is for segment managers to be even more knowledgeable about the needs of customer segments (residential owners and renters; non-residential manufacturing, agricultural, hospitality, foodservice, institutional, etc) and increase market penetration through segment specific marketing and outreach and data gathering. This additional step of segmentation enhances the company's ability to design program and communications/outreach materials geared towards managing the customer's energy needs in a comprehensive manner rather than the traditional piecemeal of offering independent programs. This approach will encourage segment advisors to first understand a customer's energy needs and offer assistance consistent with the loading order of the Energy Action Plan. Consolidate potential studies information, EM&V study results and research will be part of the segment advisors' task. Employees will receive proper training and have opportunities to improve their jobs skills to effectively manage the market segments assigned to them. Program Advisors, on the other hand, will be focused on managing the administrative aspects of the program to ensure that the programs are implemented efficiently and within budget.

Another enhancement to the organization structure is the creation of a new

position, the Manager of Program Operations. This Manager is responsible for day-to-day program implementation for both SDG&E and SoCalGas' Residential, Commercial, Industrial, Agricultural, New Construction programs. In addition, the Engineering, Inspections, Processing and Information Center are under his oversight. This ensures that direct program support functions are coordinated with the program needs.

The EM&V section (Joint-Utility) is managed under the Policy and Support Manager. The EM&V section has always engaged program staff in the development of study needs (e.g., processes evaluations, work paper development and load impact studies) and the dissemination of study results. The EM&V section consolidates program staff feedback to draft evaluations, such as the 2006-2008 draft load impact studies, so that the responses are comprehensive and consistent.

Because all the Managers report to one Director for both SDG&E and SoCalGas, lessons learned and information sharing is a natural part of staff discussions and meetings. Managers, in turn, disseminate this information to their respective groups.

SoCalGas is always represented in all Statewide Teams and therefore shares in the process of information sharing and dissemination. A good example is the sharing of natural gas measures and associated work papers that were developed by the Engineering team.