

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



May 11, 2016

Advice Letter 4950

Ronald van der Leeden
Director, Regulatory Affairs
Southern California Gas
555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

**Subject: SoCalGas Request for Approval of a Commercial Direct
Install Program within the 2013-2016 EE Portfolio**

Dear Mr. van der Leeden:

Advice Letter 4950 is effective as of May 8, 2016.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph
Director, Energy Division



Ronald van der Leeden

Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011

Tel: 213.244.2009

Fax: 213.244.4957

RvanderLeeden@semprautilities.com

April 8, 2016

Advice No. 4950
(U 904 G)

Public Utilities Commission of the State of California

Subject: Southern California Gas Company Request for Approval of a Commercial Direct Install Program within the 2013-2016 Energy Efficiency Portfolio

Purpose

Southern California Gas Company (SoCalGas) hereby requests approval from the California Public Utilities Commission (Commission) to implement a Commercial Direct Install sub-program as part of the Statewide Commercial Energy Efficiency (EE) Program in compliance with Commission directives.¹

This Advice Letter (AL) seeks to allow SoCalGas to offer a sub-program similar to the current Statewide Commercial Direct Install sub-programs offered by other Investor-Owned Utilities (IOUs)², which will allow this program to be provided to customers on a statewide basis.

Background

In Decision (D.) 09-09-047, the Commission approved the IOUs' EE program plans for the 2010-2012 program cycle. D.09-09-047, among other directives, established criteria and requirements for the development and approval of IOU-specific programs. These requirements have not changed or been modified in the adoption of the 2013-2014 program cycle, or for 2015 and beyond, where the Commission approved IOU and

¹ See Energy Efficiency Policy Manual, Version 5, Appendix C: Adopted Fund Shifting Rules, "adding new programs...an Advice Letter must be filed" established in D.05-09-043 and modified in D.06-12-013, D.07-10-032, D.09-05-037, D.09-09-047, D.12-11-015, and Assigned Commissioner Ruling in Rulemaking (R.) 09-11-014, dated December, 22, 2011.

² The IOUs are Pacific Gas & Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and SoCalGas.

Program Administrator (PA) EE plans and portfolio budgets in D.12-11-015, D.14-10-046, and D.15-10-028.

This AL requests approval for a SoCalGas Commercial Direct Install sub-program for commercial customers, similar to what has been approved and offered by the other IOUs (most recently authorized in D.14-10-046 and implemented pursuant to the approved compliance AL filings). This proposal would thus standardize the Statewide Commercial EE Program sub-programs offered across the IOUs.

Commercial Direct Install Program

The Commercial Direct Install Program will target hard-to-reach small to medium-sized commercial businesses throughout SoCalGas' service territory by offering no-cost or low-cost installations of energy efficient equipment.³ The retrofits are to be completed through installation contractors to reduce energy and water usage, and result in resource savings for public and private commercial customers.

SoCalGas will take a three-fold approach to implement the program, as follows:

- SoCalGas will seek to partner with other existing IOU Commercial Direct Install Programs in joint service territories to leverage existing infrastructure to layer on natural gas energy efficiency measures to offer comprehensive energy efficiency solutions for customers.
- SoCalGas will partner with other existing publically-owned municipal utility Commercial Direct Install Programs in joint service territories to leverage existing infrastructures to include natural gas energy efficiency measures to offer comprehensive energy efficiency solutions for customers.
- SoCalGas will conduct a competitive solicitation process that will be targeted towards specific high-usage, underserved segments of commercial market including businesses in low-income communities that may not have funds to pursue energy efficiency solutions.

The installation contractors or public utility program staff will be responsible for implementing the program and performing program services such as customer outreach, surveying existing equipment, performing retrofit installations for customers, and coordinating services performed by Community-Based Organizations (CBOs). As stated earlier, this program leverages a similar implementation approach to that which has been previously approved by the Commission for the other IOU Commercial Direct Install sub-programs.

SoCalGas proposes an annual budget of \$1,750,000 for the Commercial Direct Install Program, which will be funded out of the existing SoCalGas Statewide Commercial EE

³ SoCalGas defines small and medium-sized customers as having gas consumption less than 50,000 therms per year.

Program budget. SoCalGas presents the Program Implementation Plan (PIP) for the Commercial Direct Install Program, which includes additional budget details, in Attachment A of this AL.

SoCalGas plans to implement the Commercial Direct Install Program immediately following Commission approval of this AL. SoCalGas expects to include this delivery approach as a component of its Commercial and Public Sector Business Plans, due to the Commission on September 1, 2016 as part of the EE Rolling Portfolios process in R.13-11-005.

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

Protests

Anyone may protest this AL 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 AL which is April 28, 2016. 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
Attn: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the Energy Division Tariff Unit (EDTariffUnit@cpuc.ca.gov). A copy of the protest should 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
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: snewsom@SempraUtilities.com

Attn: Elizabeth Baires
Regulatory Case Manager – GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No. (213) 244-4957
E-mail: ebaires@semprautilities.com

Effective Date

SoCalGas believes this AL is subject to Commission staff disposition and should be classified as Tier 2 (effective after staff approval), pursuant to General Order (GO) 96-B. Therefore, SoCalGas respectfully requests that this AL become effective on May 8, 2016, which is 30 days from the date filed.

Notice

A copy of this AL is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.13-11-005. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.com or call 213-244-3387. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Ronald van der Leeden
Director – Regulatory Affairs

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) #: 4950

Subject of AL: Southern California Gas Company Request for Approval of a Commercial Direct Install Program within the 2013-2016 Energy Efficiency Portfolio

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 #:

D.14-10-046

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: 5/8/16

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: None

Service affected and changes proposed¹: See Advice Letter

Pending advice letters that revise the same tariff sheets: None

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
EDTariffUnit@cpuc.ca.gov

Southern California Gas Company
Attention: Sid Newsom
555 West 5th Street, GT14D6
Los Angeles, CA 90013-1011
SNewsom@semprautilities.com
Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 4950

**SoCalGas Commercial Direct Install Program
Program Implementation Plan**

Attachment A
SoCalGas Commercial Direct Install Program
Program Implementation Plan

Sub-Program
Program Implementation Plan Template

- 1) Program Name **Statewide Commercial Direct Install Program**
- 2) Program ID number: **SCG3805**
- 3) Type of Program: **Core** **Third Party** **Partnership** **Local**
- 4) Market sector or segment that this program is designed to serve:
 - a. Residential
 - i. Including Low Income? Yes No;
 - ii. Including Moderate Income? Yes No.
 - iii. Including or specifically Multifamily buildings Yes No.
 - iv. Including or specifically Rental units? Yes No.
 - b. **Commercial** (List applicable NAIC codes: all commercial NAICS codes)
 - c. **Industrial** (List applicable NAIC codes: _____)
 - d. **Agricultural** (List applicable NAIC codes: _____)

- 5) Is this program primarily a:
 - a. Non-resource program Yes No
 - b. Resource acquisition program Yes No
 - c. Market Transformation Program Yes No

- 6) Indicate the primary intervention strategies:
 - a. Upstream Yes No
 - b. Midstream Yes No
 - c. Downstream Yes No
 - d. Direct Install Yes No
 - e. Non Resource Yes No

- 7) Projected program Total Resource Cost (TRC) and Program Administrator Cost (PAC) TRC 1.24 PAC 1.24

- 8) Projected Program Budget: \$1,750,000 per year. See Table 1, below.

Table 1. Projected Program Budget, by Program Year¹

¹ Information provided for SoCalGas budget only. It should be noted that other Energy Efficiency Program Administrators also offer a Commercial Direct Install Program in their respective service territories. Any additional funding from non-SoCalGas program partners would be additive and not diminish SoCalGas' ratepayer funding requirements.

Sub-Program	Program Year	
	2016	2017 and annually thereafter
Admin (\$)	\$160,000	\$160,000
Marketing & Outreach (\$)	\$80,000	\$80,000
Direct Install Non-Incentives (\$)	\$1,510,000	\$1,510,000
Total Budget	\$1,750,000	\$1,750,000

9) Program Description, Objectives, and Theory

- a) **Sub-Program Description and Theory:** Clearly describe the goals of the sub-program and the sub-program theory: 1) Describe the market barriers, specific areas of concern and/or gaps that the sub-program is designed to address; 2) Describe the way the sub-program will seek to address each barrier, area of concern or gap (suggested work limit: 600 words per subprogram).

The Commercial Direct Install sub-program delivers no-cost or low-cost energy efficiency equipment retrofits to small and medium-sized commercial businesses throughout SoCalGas' service territory. The retrofits are to be completed through installation contractors to reduce energy and water usage, and result in resource savings for public and private commercial customers. The program targets these customers in a staged delivery approach that provides program services in specific geographic areas allowing for a more concentrated, directed, and comprehensive program.

Hard-to-reach commercial customers, including small and medium-sized businesses, are a significant source of untapped energy efficiency potential. The primary barriers to participation include limited capital resources, lack of expertise and understanding of the benefits of energy efficiency, a suspicion of the "free offer" and its legitimacy, and language and cultural barriers.

In addition, the majority of these customers may occupy short-term leased facilities. Consequently, there is also a split incentive barrier to adoption of energy efficiency improvements. Split incentives occur when the customer and owner do not own the same equipment they pay bills for (e.g., the landlord owns the HVAC equipment and the customer pays utility bills for it or vice versa). The program will make every effort to address this situation with both the owner/property management company and the tenant to communicate the benefits and gain approval for program services. The no-cost or low-cost offering makes this acceptance of the retrofit easier for the tenant.

While small and medium-sized commercial customers may be eligible for other programs, such as the custom and deemed incentive programs, the primary

barriers beyond some cost reduction to participation by small and medium-sized commercial customers are not sufficiently addressed by those programs.

Some government customers, including K-12 schools, operate on a very tight capital improvement budget. Decisions to fund capital improvements are usually done in stages, and may require several layers of approval. Overall, the decision-making process can take a very long time. Therefore, a no-cost or low-cost direct installation program solves the reluctance barrier of the customer to enter into an energy efficiency program and enables these customers to improve the energy efficiency of their facilities through an expedited internal and utility approval process.

SoCalGas will take a three-fold approach to implement the program. SoCalGas will seek to partner with other existing investor-owned utility (IOU) Commercial Direct Install subprograms in joint service territories to leverage existing infrastructure to layer on natural gas energy efficiency measures to ensure comprehensive energy efficiency solutions for customers. SoCalGas will work with the respective IOU to have their existing direct install contractor(s) to expand what is offered to include natural gas efficiency measures.

SoCalGas also will partner with other existing publically-owned municipal utility (POU) Commercial Direct Install programs in joint service territories to leverage existing infrastructures to layer on natural gas energy efficiency measures to ensure comprehensive demand-side management solutions for customers. SoCalGas will be partnering with municipal utilities, such as Los Angeles Department of Water and Power (LADWP), Riverside Public Utilities (RPU), Pasadena Water and Power (PWP), Anaheim Water and Power (AWP) and Metropolitan Water District (MWD), to jointly deliver this program. There may be cases where public utility staff will be leveraged to perform audits and equipment installations in lieu of a direct install contractor.

Thirdly, SoCalGas will conduct a competitive solicitation that will be targeted towards specific high-usage, underserved segments of commercial market including businesses in low-income communities that may not have funds to pursue energy efficiency upgrades. This approach consists of having one or multiple outside contractors install measures in the targeted segments, such as, but not limited to the lodging and healthcare segments. The contractor(s) will seek to deliver installations to businesses in low-income communities, where feasible.

In the delivery of these approaches, SoCalGas will provide additional administrative support services specific to natural gas energy efficiency measures and education, while the other IOUs and POUs will provide those for electricity and water, respectively.

- b) **Sub-Program Energy and Demand Objectives** - If this sub-program has energy and demand objective, please complete Table 2.

Table 2. Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year

	Program Years	
	2016	2017 and annually thereafter
Sub-program Name		
GWh		
Peak MW		
Therms (millions)	0.48	0.48

c) Program Non-Energy Objectives:

Not applicable to this sub-program.

d) Cost Effectiveness/Market Need: What methods will be or have been used to determine whether this program is cost-effective? If this is a non-resource program, describe the literature, market assessments or other sources that indicate a need for this program.

This program is a resource program that will be evaluated using the standard Total Resource Cost and Program Administrator Cost tests using methods consistent with the California Standard Practice Manual and calculated through the E3 Cost-Effectiveness tool or the Commission Staff SQL-based Cost-Effectiveness Tool to measure cost-effectiveness.

e) Measure Savings/ Work Papers:

- a. Indicate data source for savings estimates for program measures (DEER, custom measures, etc.).

The source of the savings will be dependent on the respective measure being installed and delivery methodology. The source of savings for the program's initial measure list will come from IOU workpapers.

- b. Indicate work paper status for program measures:

The statuses of the workpapers vary by measure. The program will leverage existing workpapers that are approved. In cases where there are workpapers not approved for measures, SoCalGas will submit the workpapers to Commission Staff once they are complete. See attachment Table 4 for further details.

Table 4 – Work paper Status

[Table 4 Work paper Status to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

10) Program Implementation Details

- a) **Timelines:** List the key program milestones and dates. An example is included below.

Table 5: Sub-Program Milestones and Timeline

Milestone	Date
Launch Program	May 2016
Installations completed	December 31, 2016
Initialize internal evaluation of program	January 15, 2017
Finalize payment of any contractor	March 1, 2017
Complete internal evaluation of program	March 31, 2017

- b) **Geographic Scope:** List the geographic regions (e.g., CEC weather zones) where the program will operate

Table 6: Geographic Regions Where the Program Will Operate

[Table 6 Geographic Regions to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

Geographic Region	Direct Install
CEC Climate Zone 1	
CEC Climate Zone 2	
CEC Climate Zone 3	
CEC Climate Zone 4	X
CEC Climate Zone 5	X
CEC Climate Zone 6	X
CEC Climate Zone 7	
CEC Climate Zone 8	X
CEC Climate Zone 9	X
CEC Climate Zone 10	X
CEC Climate Zone 11	
CEC Climate Zone 12	
CEC Climate Zone 13	X
CEC Climate Zone 14	X
CEC Climate Zone 15	X
CEC Climate Zone 16	X

This program will operate in all regions within SoCalGas' territory with a particular focus in regions where partnerships with electric and water municipal utilities or IOUs exist.

c) **Program Administration**

Table 7: Program Administration of Program Components

[Table 7 Program Administration to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

The direct install installation contractors or public utility program staff will be responsible for implementing the program and performing program services such as customer outreach, surveying existing equipment, explaining and promoting retrofits, performing retrofit installations for customers, and coordinating services performed by the Community-Based Organizations (CBOs). Contract management and additional installation verification will be performed by SoCalGas staff.

d) **Program Eligibility Requirements:**

- i. **Customers:** List any customer eligibility requirements (e.g., annual energy use, peak kW demand):

Table 8: Customer Eligibility Requirements (Joint Utility Table)

[Table 8 Customer Eligibility Requirements to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

This program is open to all commercial segments, with particular focus on hard-to-reach commercial customers, including small and medium-sized businesses with less than or equal to 50,000 Therms in annual consumption.

- ii. **Contractors/Participants:** List any contractor (and/or developer, manufacturer, retailer or other "participant") eligibility requirements (e.g. specific IOU required trainings; specific contractor accreditations; and/or, specific technician certifications required).

Direct install installation contractors will be selected on as-needed basis using a competitive bidding process, but may also be selected based on other conditions, including but not limited to the terms of partnership arrangements with municipal utilities or other IOUs. Selected contractors will be trained on all program requirements, including but not limited to any prevailing state and local rules, policies, and ordinances, for example California Title-20 and Title-24.

Table 9: Contractor/Participant Eligibility Requirements (Joint Utility Table)

[Table 9 Customer Eligibility Requirements to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

e) Program Partners:

- a. **Manufacturer/Retailer/Distributor partners:** For upstream or midstream incentive and/or buy down programs indicate:

Not applicable.

Table 10: Manufacturer/Retailer/Distributor Partners

[Table 10 Manufacturer/Retailer/Distributor Partners to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

Not Applicable.

- b. **Other key program partners:** Indicate any research or other key program partners:

SoCalGas may partner with other IOUs and municipal utilities; including but limited to LADWP, RPU, PWP, AWP and MWD, in the delivery of some program activities, although may be activities for which SoCalGas will act as the sole implementer. SoCalGas will hire an independent evaluator to evaluate the program results.

- f) **Measures and incentive levels:** E3 calculators will provide the list of measures and incentive levels to be provided via the program. In this section the utilities should provide a summary table of measures and incentive levels.

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates

Measure Group	Market Actor Receiving Incentive or Rebate	Installation Sampling Rate
Pipe Insulation	Direct Install Contractor	5%
Tank Insulation	Direct Install Contractor	5%
Low flow pre-rinse spray valve	Direct Install Contractor	5%
Faucet Aerator	Direct Install Contractor	5%
Low flow showerhead	Direct Install Contractor	5%

[Table 11 Summary Table of Measures, Incentive Levels and Verification Rates to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

Table 11 includes an initial list of sample measures, verification rates, and cost estimates. Measures offered, costs, and verification rates may differ depending on the implementation market actor. Additional viable measures are being explored for program inclusion.

The program does not pay a rebate or incentive to the customer. Payments are made to the non-IOU direct install contractor or public utility staff who employ said incentives to reduce the cost of delivering energy efficiency services. The products and installation of products are at no-cost or low-cost to the customer.

- g) Additional Services:** List additional services that the sub-program will provide, to which market actors.
- a. For each service provided, indicate any expected charges to market actors of the services, and/or the level at which any such services will be incented or funded.

As part of the contracted services, customers will receive an on-site energy audit.

Table 12: Additional Services

[Table 12 Additional Services to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

- h) Sub-Program Specific Marketing and Outreach:** Please describe, providing timelines (suggested word limit: 300 words).

The program is designed to increase the adoption of energy and water efficiency measures by hard-to-reach small and medium-sized commercial customers through offering energy efficiency assessments, energy efficient equipment, and installation at no or low-cost. Marketing efforts undertaken will be targeted based on customer size and demographics. Program interactions include working closely with partners such as municipal utilities, other IOUs, and CBOs to create and provide jobs in addition to the contract deliverables. This provides a partnership in the community that otherwise would not have engaged.

For instances when SoCalGas is the lead administrator, the IOU Program Management staff provides a customer contact list to the Commercial Direct Install contractors. Using this list, the contractors will contact the customer to set up an appointment to assess and install the recommended measures at no-cost or low-

cost to the customer. In cases where a customer name is not shown on the list but is contacted by the contractor (e.g., a new business that opened after the list was generated), the contractor confirms their eligibility before performing a survey. Contractors have the main responsibility for contacting eligible customers, but also work with appropriate CBO, IOUs, municipal utility partners and local government partnerships to reach customers.

Direct install contractors will be used to perform program services such as customer outreach, survey existing equipment, explain and promote retrofits, and perform retrofit installations for customers and coordinates services. These activities will be coordinated with municipal utility and IOU partners, where appropriate.

Marketing and outreach will utilize multiple strategies, including but not limited to door-to-door canvassing, market penetration analysis, permit analysis, mass mailings, promotional events, etc. The contractor will use its contacts to initiate program offering, and educate the customer of the utilities' other program offerings that apply to the project. The contractor will also attend promotional events to have face-to-face interactions with past and future participants of the program, thus creating a better tie to the community.

- i) **Program Specific Training:** Please describe, providing timelines (suggested word limit: 300 words).

When SoCalGas is the lead utility implementing this program, non-IOU direct install contractors will be required to provide customers with informational materials on statewide and local workforce, education and training (WE&T) opportunities that occur throughout the year.

When SoCalGas is not the lead utility, SoCalGas will work with the respective IOU or POU to incorporate natural gas technologies into program-specific training.

- j) **Sub-Program Software and/or Additional Tools:**

- a. List all eligible software or similar tools required for sub-program participation.
- b. Indicate if pre and/or post implementation audits/visual inspection will be required for the sub-program.
Pre-implementation audit/visual inspection required Yes No
Post-implementation audit/visual inspection required Yes No
- c. As applicable, indicate levels at which such audits shall be rebated or funded, and to whom such rebates/funding will be provided (i.e. to customer or contractor).

Table 13: Post-implementation Audits

[Table 13 Program Related Audits to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

SoCalGas will perform post-inspection audits to verify implementer performance and installations. The post-inspection rate will be 5% of all projects, which aligns with SoCalGas' Commercial Deemed Energy Efficiency Program.

Verification rates may differ in cases where SoCalGas is not the lead utility.

- k) **Sub-Program Quality Assurance Provisions:** Please list quality assurance, quality control, including accreditations/certification or other credentials.

Table 14: Quality Assurance Provisions

[Table 14 Quality Assurance Provisions to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

The contractor will typically schedule to install the equipment within a few days of obtaining permission to proceed. After completing the installation, the contractor must do the following:

- Perform an on-site post-verification of the installation. The test must ensure that all retrofit work is completed and in compliance with all applicable: statutes, acts, ordinances, regulations, and codes and standards of the federal, state, and local governmental agencies having regulatory jurisdiction.
- If a customer has any complaint about work done through the Program, the Contractor is ultimately responsible for addressing such complaint. Any advertising or marketing material that the contractor uses must be approved by SoCalGas in advance. All customer communications must be presented in the customer's primary language whenever possible.

SoCalGas will perform independent random inspection of completed installations at a rate that is commensurate with that of SoCalGas' Commercial Deemed Energy Efficiency program. SoCalGas will also support the CPUC and its designees in the Evaluation, Measurement and Verification process.

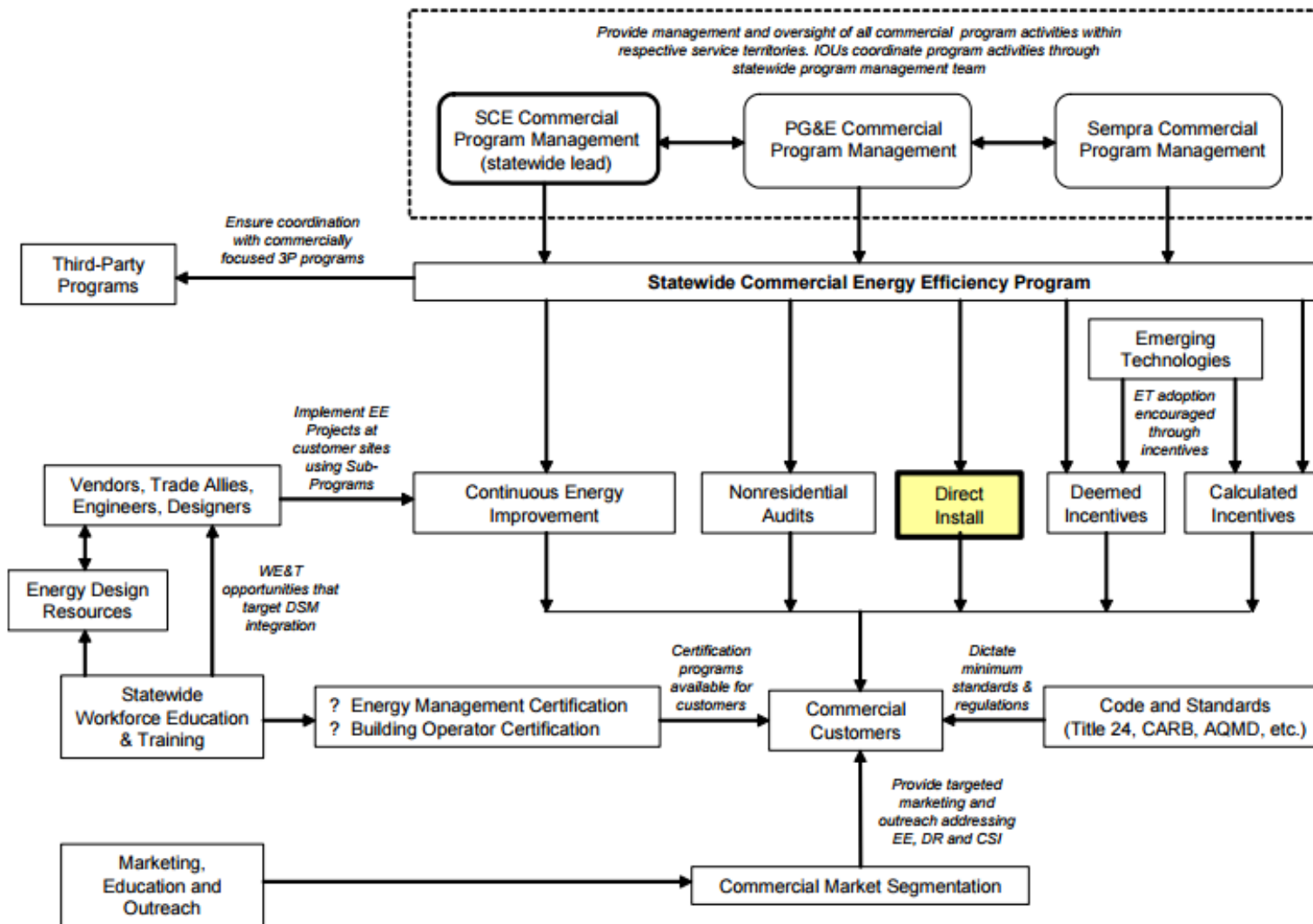
SoCalGas will ensure the above are adhered to in relationships where an electric municipal utility or IOU is the lead.

- l) **Program Delivery Method and Measure Installation /Marketing or Training:** Briefly describe any additional sub-program delivery and measure installation and/or marketing & outreach, training and/or other services provided, if not yet described above.

The delivery, outreach, and marketing methods are described above.

- m) **Program Process Flow Chart:** Provide a sub-program process flow chart that describes the administrative and procedural components of the sub-program. For example, the flow chart might describe a customer's submittal of an application, the screening of the application, the approval/disapproval of an application, verification of purchase or installation, the processing and payment of incentives, and any quality control activities.

The process flow will be consistent with existing method from the statewide program, as shown on next page.



- n) **Cross-cutting Sub-program and Non-IOU Partner Coordination:** Identify: 1) IOU EE, DR or DG sub-programs with which this sub-program will regularly coordinate; 2) key non-IOU coordination partners; and 3) expected coordination mechanisms² and frequency³:

The Commercial Direct Install program will regularly coordinate with the following entities:

- Municipal Utility Partners such as LADWP, RPU, PWP, AWP and MWD
- Community and Faith-Based Organizations
- Other IOUs, including Pacific Gas and Electric, San Diego Gas and Electric, and Southern California Edison

Table 15: Cross-cutting Sub-program and Non-IOU Partner Coordination

[Table 15 Cross-cutting Sub-program and Non-IOU Partner Coordination to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

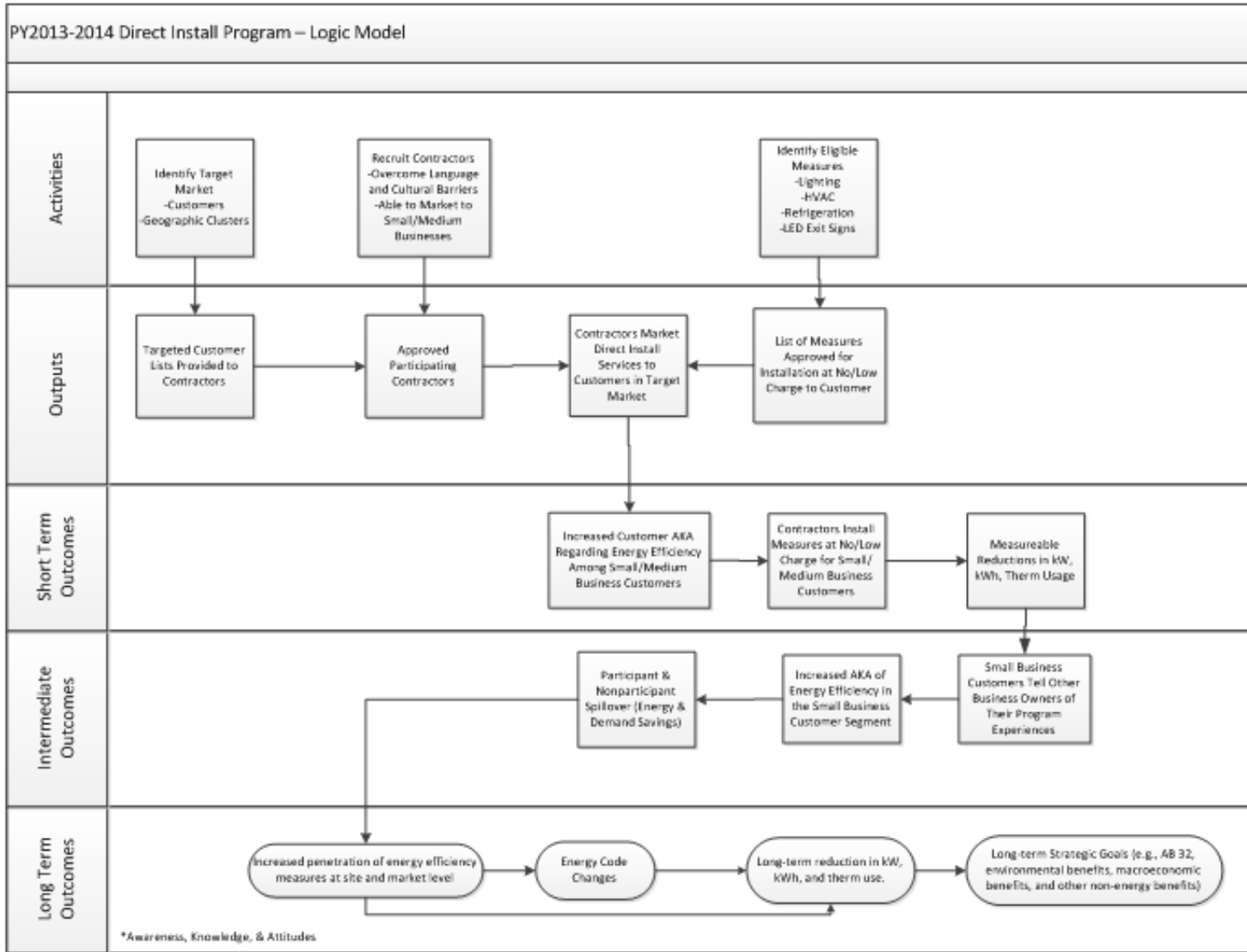
- o) **Logic Model:** Please append the logic model for this sub-program to the end of this PIP. Describe here any additional underlying theory supporting the sub-program intervention approach, referring as needed to the relevant literature (e.g., past evaluations, best practices documents, journal articles, books, etc.).

Program Logic Model

On December 2, 2010, the Commission issued Resolution E-4385, approving updated logic models for the statewide programs. As this program is modeled after the statewide program, see below for the approved logic model for the Commercial Direct Install program.

² "Mechanisms" refers to communication methods (i.e., quarterly meetings; internal list serves; monthly calls, etc.) and/or any cross-program review methods (i.e., feedback on program plans; sign off on policies, etc.) or harmonization techniques (i.e. consistent certification requirements across programs, program participant required cross trainings, etc.).

³ This does not mean there would be mutual understanding of the on the mechanism or a known frequency of coordination; rather, just provide enough information to give a general sense of the coordinate efforts.



11) Additional Sub-Program Information

- a) **Advancing Strategic Plan Goals and Objectives:** Describe how sub-program advances the goals, strategies and objectives of the California Long Term Energy Efficiency Strategic Plan (word limit: 150 words).

In accordance with the Strategic Plan, this program advances comprehensive energy efficiency, including:

- Integrating marketing and outreach to the commercial customer sector;
- Integrating the approach to better maximize savings and minimize lost opportunities;
- Identifying the most promising technologies that can play a role of providing multiple solutions, for energy efficiency; and,
- Cross-promoting other energy efficiency (e.g., Workforce, Education & Training) and demand response programs.

b) Integration

- i. **Integrated/coordinated Demand Side Management:** As applicable, describe how sub-program will promote customer education and sub-program participation across all DSM options. Provide budget information of non-EE sub-programs where applicable.

Table 16: Non-EE Sub-Program Information

[Table 16 Non-EE Sub-Program Information to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

The Commercial Direct Install model provides a great opportunity to market other DSM (e.g., California Solar Initiative (CSI) Thermal) to traditionally hard-to-reach customers. The program will make every effort to do so; however, it is acknowledged that these small business customers likely do not have the resources (both financial and personnel) to actively pursue participation in such programs (especially CSI Thermal). To help bridge this resource gap, DSM promotional materials will include information on non-IOU programs that offer tax credits/rebates/financing for solar thermal photovoltaic systems.

- ii. **Integration across resource types** (energy, water, air quality, etc.): If sub-program aims to integrate across resources types, please provide rationale and general approach.

[This information can be found in Table 16 Non-EE Sub-Program Information to be provided as an Excel Attachment to this PIP. Please see file "AppendixC_2013-2014_PIPTemplate_NEWPrograms_V05Attachment.xlsx" for table formats]

SoCalGas is partnering with municipal electric and water utilities and other IOUs in the delivery of some aspects of this program. In such partnerships, this program will integrate water and electric measures, wherever possible. This program will aim to coordinate with the program partners (POUs, water and electric programs) to provide assistance in getting general water services, rebates and education for participating customers through contractual arrangements.

- c) **Leveraging of Resources:** Please describe if the subprogram will leverage additional investments by market actors or other state, local or federal agencies.

In cases where SoCalGas is partnered with an IOU that has a copay-based Direct Install subprogram, the customer will pay a portion of the installation and/or labor cost to participate in the program.

- d) **Trials/ Pilots:** Please describe any trials or pilot projects planned for this sub-program.

None

- e) **Knowledge Transfer:** Describe the strategy that will be used to identify and disseminate best practices and lessons learned from this sub-program.

The program will coordinate with the Workforce Education and Training program to identify and disseminate the best practices in classroom settings or real time hands on training. Also, any recommendations out of existing external evaluations of IOU direct install programs will be leveraged and incorporated into the program throughout the implementation period, if viable in the timeframe.

- 12) **Market Transformation Information:** For programs identified as market transformation programs, include the following (suggested page limit- five pages):

- i. A summary of the market transformation objectives of the program;
- ii. A description of the market, including identification of the relevant market actors and the relationships among them;
- iii. A market characterization and assessment of the relationships/dynamics among market actors, including identification of the key barriers and opportunities to advance demand side management technologies and strategies;
- iv. A description of the proposed intervention(s) and its/their intended results, and specify which barriers the intervention is intended to address;

- v. A coherent program, or “market,” logic model that ensures a solid causal relationship between the proposed intervention(s) and its/their intended results⁴;
- vi. Appropriate evaluation plans and corresponding Market Transformation indicators and Program Performance Metrics based on the program logic model.

This program is not classified as a Market Transformation Program.

13) Additional information as required by Commission decision or ruling or as needed:

Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers):

As part of the program requirements in D.09-09-047, the program EM&V Plan for SoCalGas’ Commercial Direct Install joint program with municipalities and IOUs is as follows:

- Stage 1: The program will analyze the following elements to understand if the program is successful and if it can be expanded into other segments and POUs:
 - Is the program effective as structured by the municipalities.
 - Can this program be evaluated given the program output and tracking data, or if not, how can output and data be improved.
 - Are the following being delivered or effective: customer satisfaction, energy savings.
 - Verification of the program implementation barriers and identify ways to overcome the observed barriers.
- Stage 2: Scale the program to expand into other segments and municipalities to offer integrated measures:
 - Outreach to other municipalities with opportunities for joint efforts.
 - Is the program generating enough energy savings to continue integrated direct install joint programs.
 - What other segments can a direct install offering succeed.
 - Do other measures need to be added to program offering.

⁴ If this logic model is the same as that requested in #10.(O), only provide once. As needed, provide a more detailed logic model emphasizing the market transformation elements of the program and/or how such elements integrate with resource acquisition elements.

Appendix to Attachment A

Table 1: Total Projected Program Budget & Savings by Subprogram

Subprogram	PG&E (\$)	SCE (\$)	SDG&E	SCG (\$)	Kwh	KW	Therms
Commercial Direct Install				\$ 1,750,000	0	0	0.48
Total				\$ 1,750,000	0	0	0.48

Table 2: Total Projected Program Savings by IOU

Subprogram	PG&E	PG&E	PG&E	SCE	SCE	SDG&E	SDG&E	SDG&E	SCG	Total
	Kwh	KW	Therms	Kwh	KW	Kwh	KW	Therms	Therms	
Commercial Direct Install	0	0	0	0	0	0	0	0	480,000	0.48
Total	0	0	0	0	0	0	0	0	480,000	0.48

Table 1: Projected Sub-Program Budget, by Calendar Year

Sub-Program	Program Year	
	2016	2017 and annually thereafter
Admin (\$)	\$ 160,000	\$ 160,000
General overhead (\$)	\$ -	\$ -
Incentives (\$)	\$ -	\$ -
Direct Install Non-Incentives (\$)	\$ 1,510,000	\$ 1,510,000
Marketing & Outreach (\$)	\$ 80,000	\$ 80,000
Education & Training	\$ -	\$ -
Total Budget	\$ 1,750,000	\$ 1,750,000

Table 2: Projected Sub-Program Net Energy and Demand Impacts, by Calendar Year

	Program Years	
	2016	2017 and annually thereafter
Commercial Direct Install		
GWh		
Peak MW		
Therms (millions)	0.48	0.48

Table 3: Quantitative Program Targets (PPMs)

Target	2016	2017 and annually thereafter

Note: Metrics will be developed and determined in SoCalGas' Commercial and Public Sector Business Plans, due to the Commission on September 1, 2016 as part of the EE Rolling Portfolios process in Rulemaking 13-11-005.

Table 4: Work Paper Status

#	Workpaper Number/Measure Name	Approved	Pending Approval	Submitted but Awaiting Review	Pending Submission
1	Pipe Insulation	x			
2	Tank Insulation	x			
3	Low flow pre-rinse spray valve	x			
4	Faucet Aerator				x
5	Low flow showerhead				x

Table 5: Sub-Program Milestones and Timeline

Milestone	Date
Launch Program	May 2016
Installations completed	December 31, 2016
Initialize internal evaluation of program	January 15, 2017
Finalize payment of any contractor	March 1, 2017
Complete internal evaluation of program	March 31, 2017

Table 6: Geographic Regions

Geographic Region	Commercial Direct Install
CEC Climate Zone 1	
CEC Climate Zone 2	
CEC Climate Zone 3	
CEC Climate Zone 4	x
CEC Climate Zone 5	x
CEC Climate Zone 6	x
CEC Climate Zone 7	
CEC Climate Zone 8	x
CEC Climate Zone 9	x
CEC Climate Zone 10	x
CEC Climate Zone 11	
CEC Climate Zone 12	
CEC Climate Zone 13	x
CEC Climate Zone 14	x
CEC Climate Zone 15	x
CEC Climate Zone 16	x

Table 11: Summary Table of Measures, Incentive Levels and Verification Rates

Measure Group	Market Actor Receiving Incentive or Rebate	SCG	
		Incentive Level	Installation Sampling Rate
Pipe Insulation	Direct install contractor	\$ 25.00	5%
Tank Insulation	Direct install contractor	\$ 12.00	5%
Low flow pre-rinse spray valve	Direct install contractor	\$ 100.00	5%
Faucet Aerator	Direct install contractor	\$ 20.00	5%
Low flow showerhead	Direct install contractor	\$ 35.00	5%

Table 12: Additional Services

Additional Services that the Sub-Program Will Provide	To Which Market Actors	PGE	SCE	SDGE	SCG
Building or facility audit	Customer				Fully funded
Purchase of EE equipment	Direct Install Contractor				Fully funded
Installation of EE purchased measures	Customer				Fully funded
Verification of installation	Direct Install Contractor				Fully funded

Table 13: Program Related Audits

Levels at Which Program Related Audits Are Rebated or Funded	Who Receives the Rebate/Funding (Customer or Contractor)
Prior to installation of any equipment, a fully funded audit	Customer

Table 14: Quality Assurance Provisions

QA Requirements	QA Sampling Rate (Indicate Pre/Post Sample)	QA Personnel Certification Requirements
Installation Verification	100% done by contractor	
Installation Verification	5% performed randomly by SoCalGas	

