

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
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June 22, 2017

Advice Letter 5142

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

Subject: AB 793 Offerings to Conform to Resolution E-4820

Dear Mr. van der Leeden:

Advice Letter 5142 is effective as of June 21, 2017.

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

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May 22, 2017

Advice No. 5142

(U 904 G)

Public Utilities Commission of the State of California

Subject: Southern California Gas Company Assembly Bill 793 Offerings to Conform to Resolution E-4820

Purpose

Southern California Gas Company (SoCalGas) hereby submits this Advice Letter (AL) for approval by the California Public Utilities Commission (Commission) to comply with Ordering Paragraph 1-3 of Resolution (Res.) E-4820.

Background

On October 8, 2015, the Governor enacted Assembly Bill (AB) 793, which amended Section 2790 and added Section 717, to the Public Utilities Code (Pub. Util. Code). Subsection 717(a) includes the following:

(1) Develop a program no later than January 1, 2017, within the electrical or gas corporation's demand-side management programs authorized by the commission, to provide incentives to a residential or small or medium business customer to acquire energy management technology for use in the customer's home or place of business.¹

(2) Develop a plan by September 30, 2016, to educate residential customers and small and medium business customers about the incentive program developed pursuant to paragraph (1). The commission may require that the plan be integrated into, or coordinated with, any education campaign required by the commission.²

¹ Pub Util. Code § 717 (a) (1).

² Pub Util. Code § 717 (a)(2).

Pub. Util. Code Section 2790 was amended to include energy management technology as a component of home weatherization services for low-income customers.

In response to AB 793 directives, the Ruling outlines the necessary information and guidance to SoCalGas for submitting implementation plans to the Commission in order to meet AB 793 legislative mandates. Additionally, the Ruling included the process in which investor-owned utilities (IOUs) shall submit their AB 793 implementation plans as Tier 2 Advice Letters.³ Furthermore, the Ruling directed that each AL include a joint marketing and education plan that is consistent across IOUs.⁴

SoCalGas initially filed AL 5003 on August 1, 2016, in compliance with the Joint Administrative Law Judge's Providing Guidance on Compliance with Assembly Bill 793 Activities (Ruling), issued on June 10, 2016. On August 4, 2016, the Commission's Energy Division requested that SoCalGas remove the Joint IOUs AB 793 Marketing Plan (Joint Plan) from its filing. Accordingly, SoCalGas filed AL 5003-A, which replaced AL 5003 in its entirety and removed the IOUs Joint Plan. The IOUs Joint Plan will be filed separately via a Joint IOU AL.

On September 7, 2016, the Commission's Energy Division directed SoCalGas to file a partial supplemental AL to update aspects of SoCalGas' local marketing, education, and outreach strategies.

On April 6, 2017, the Commission issued Res. E-4820 which approved all of IOU AL filings,⁵ and directed the IOUs to file a Tier 2 AL to demonstrate compliance with the Commission-directed modifications within 45 days of the approval of Res. E-4820. The following is SoCalGas' AB 793 offerings demonstrating compliance with the Commission-directed modifications in Res. E-4820.

SoCalGas AB 793 Offerings to Conform to Res. E-4820

1. Energy Technology Marketplace

Ordering Paragraph (OP) 1.b. directs SoCalGas to create an energy technology marketplace on its website that includes AB 793-relevant technologies by the Fourth Quarter of 2017. SoCalGas will develop a marketplace that includes energy efficiency, demand response, and AB 793-related technologies by utilizing a third-party marketplace vendor for the development and implementation of SoCalGas' Marketplace. The marketplace vendor will be hired by SoCalGas through a targeted competitive solicitation

³ The Ruling, page 8.

⁴ *I.d.*

⁵ PG&E AL 3746-G-A/4890-E-A, PG&E AL 3744-G-B/4886-E-B, SDG&E AL 2505-G-A/2941-E-A, SDG&E AL 2937-E-B/2500-G-B, SCE AL 3449-E-A, SCE AL 3449-E-B and SoCalGas 5003-G-A, SoCalGas 5003-G-B and SoCalGas 5012-G-A.

process. Figure 1 below provides a high level timeline for SoCalGas' solicitation process to ensure implementation by Fourth Quarter of 2017.⁶

Figure 1. SoCalGas AB 793 Residential Marketplace Implementation Timeline, Q2–Q4 2017

2017	May	June	July	Aug	Sept	Oct	Nov	Dec
Scope of Work Development								
RFP Issued								
Bidder Proposal Q&A								
Proposal Receipt & Scoring								
Interviews (if needed)								
Final Bidder Selection								
Contract Negotiation								
Onboarding								

2. Energy Technology Marketplace Reporting

OP 1.c. directs the IOUs to file a report with Energy Division proposing reporting requirements, targets and metrics, at a minimum, for the number of customers in their service territory who visit energy efficiency marketplaces, customer uptake from those marketplaces, rebates provided, and level of engagement with Green Button Connect My Data. By Fourth Quarter 2017, SoCalGas will work with the marketplace vendor to determine what metrics, with the exception of Green Button Connect My Data,⁷ can be tracked and reported.

3. Residential Pay-for-Performance Program

Pursuant to OP 1.d. which directs SDG&E, SCE, and SoCalGas to launch residential pay-for-performance (P4P) programs by the Fourth Quarter of 2017, SoCalGas will launch its residential P4P program as a third-party program under the definition established in Decision (D.) 16-08-019, where a program must be proposed, designed, implemented, and delivered by non-utility personnel under contract to a utility program administrator.⁸ SoCalGas will launch a competitive solicitation process to obtain program design proposals from a third-party vendor for the implementation of this program by the Fourth Quarter of 2017. SoCalGas will utilize its existing Innovative Design for Energy Efficiency

⁶ SoCalGas' solicitation process for SoCalGas' Energy Technology Marketplace is contingent on Commission approval of this advice letter.

⁷ SoCalGas currently does not have a Green Button Connect My Data offering, however does offer the Green Button download feature.

⁸ D.16-08-019, OP 10.

Activities Peer Review Group (PRG) for third-party energy efficiency programs to ensure stakeholder involvement in the solicitation process. This solicitation will be a two-stage process which includes an initial Request for Abstracts (RFAs) and a subsequent Request for Proposals (RFPs) from prospective partners. Figure 2 below provides a high-level anticipated timeline for SoCalGas' solicitation process to ensure implementation by Fourth Quarter of 2017.⁹

Figure 2. SoCalGas AB 793 Residential P4P Program Implementation Timeline, Q2–Q4 2017

	2017	May	June	July	Aug	Sept	Oct	Nov	Dec
Scope of Work Development									
RFA Posted									
RFA Selected & Approved									
RFP Issued									
Bidder Proposal Q&A									
Proposal Receipt & Scoring									
Final Bidder Selection									
Contract Negotiation									
Onboarding									

4. AB 793 Marketing

OP 2.a. of Res. E-4820 directs the IOUs to include in their AB 793 Marketing Compliance Filing ALs specific strategies on how they plan to market EMTs to the communities with the highest disconnection rates in their service territories or in disadvantaged communities. The marketing efforts in these areas shall utilize greater resources and a more targeted effort than general marketing efforts, and the Compliance Filing ALs shall reflect this. Attachment A provides SoCalGas' local marketing, education, and outreach plans revised to include the modifications described in OP 2. These modifications include strategies for marketing EMTs to disadvantaged communities and an updated market facilitation plan timeline.

5. Offerings Pursuant to Ordering Paragraph 3

OP 3 directs the IOUs to follow-up with customers who complain about their bills, customers who are behind on their bills, and customers who have been contacted about disconnection or have been placed on a payment plan. The IOUs are directed to follow-up

⁹ SoCalGas' solicitation process for the Residential P4P program is contingent on Commission approval of this advice letter.

with each customer on potential EMT solutions to reduce those customers' bills and avoid disconnection.

SoCalGas is committed to providing customers with solutions that address their individual situation and needs. Currently, customers can access many of the self-service solutions online via any computer or mobile device or they can speak live, to a customer service representative (CSR). CSRs have the ability to view the same information online that customers can access as well as insights into the customer's program participation history and payment status so that they may promote the services that will meet the individualized customer need. The Interactive Voice Recognition (IVR) phone system also promotes solutions, including the California Alternative Rates for Energy (CARE) and Energy Savings Assistance (ESA) Programs, while a customer completes a transaction or waits for a CSR. Customers calling to complain about their bill, inquire about a payment plan or disconnection, or who are behind on their bill will continue to receive the personalized service SoCalGas provides, including but not limited to establishing payment arrangements, payment extensions or obtaining agency assistance information (i.e. LIHEAP and Gas Assistance Fund).

In addition, SoCalGas will offer customers the option to receive a follow-up email to enroll in Bill Tracker Alerts. Weekly Bill Tracker Alerts, sent via email or text message, provide customers with bill-to-date information, projected next bill, last year/same month bill amount, and days left in their current bill cycle. Customers will have advanced notice that allows them to take steps—such as adjusting the heat and lowering their water heater set points—to potentially reduce their costs. SoCalGas will also include a bill insert for customers who are contacted about disconnection to provide them with information about EMTs and how to access the SoCalGas energy technology marketplace.

Integration of AB 793 Offerings into Energy Efficiency Portfolio Cycles

Res. E-4820 acknowledges the disconnection in timing of the incremental AB 793 offerings approved in Res. E-4820 and the Energy Efficiency Business Plans, and contends that the IOUs will be able to integrate these incremental offerings into their Business Plans. Given the timing of these incremental activities and the fact that SoCalGas' Business Plan is currently pending before the Commission, SoCalGas requests authority to leverage its remaining unspent, uncommitted funds of \$550,000 from the 2010-2012 energy efficiency program cycle in order to successfully achieve implementation of the AB 793 offerings discussed above, until SoCalGas is able to integrate the costs of AB 793 offerings into its Business Plan.

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 June 11, 2017. 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: Ray B. Ortiz
Tariff Manager - GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile No.: (213) 244-4957
E-mail: ROrtiz@SempraUtilities.com

Effective Date

SoCalGas believes this AL is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B. This filing is in compliance with OPs 1-3 of Res. E-4820. Therefore, SoCalGas respectfully requests that this AL be made effective on June 21, 2017, which is 30 calendar 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 lists for R.13-11-005 and R.13-09-011. Address change requests to the GO 96-B should be directed by electronic mail to tariffs@socalgas.com or call 213-244-2837. 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: Ray B. Ortiz

Phone #: (213) 244-3837

E-mail: ROrtiz@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) #: 5142

Subject of AL: Southern California Gas Company Assembly Bill 793 Offerings to Conform to Resolution E-4820

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 #:

Resolution E-4820

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: 6/21/17

No. of tariff sheets: 0

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

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

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

Tariff schedules affected: N/A

Service affected and changes proposed¹: N/A

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

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

CPUC, Energy Division

Attention: Tariff Unit

505 Van Ness Ave.,

San Francisco, CA 94102

EDTariffUnit@cpuc.ca.gov

Southern California Gas Company

Attention: Ray B. Ortiz

555 West 5th Street, GT14D6

Los Angeles, CA 90013-1011

ROrtiz@semprautilities.com

Tariffs@socalgas.com

¹ Discuss in AL if more space is needed.

ATTACHMENT A

Advice No. 5142

SoCalGas Local Marketing, Education, and Outreach

Attachment A

SoCalGas Local Marketing, Education, and Outreach

A. SoCalGas Local ME&O Strategies

The 2016-2018 program is designed to create awareness of Energy Management Technologies (EMTs), educate how EMTs would allow customers to conserve energy, and inform of the various product & services available under the EMT portfolio. The program will activate based on the following key platform strategies:

1. Development of a messaging strategy to create an integrated local-level campaign to generate awareness.
 - a. Messaging strategy will take into consideration different target segments including General Residential and Disadvantaged Communities as instructed in Resolution E-4820.
2. Development of a Grassroots community outreach strategy for residential and SMB business customers to continue familiarity with EMT and portfolio benefits.
3. Optimize tactical communications through an integrated owned, earned and paid media approach.

B. SoCalGas Local Tactics

To support the defined strategies, specific tactical executions are recommended to deploy communications consistently across targeted owned, earned and paid channels for residential and commercial & industrial initiatives.

All Target Market Segment Tactics: Residential and Disadvantaged Communities

Tactics – Owned

1. Development and launch of dedicated web page/s on www.SoCalGas.com, where customers would be directed to gather information and maximize engagement regarding EMT and portfolio offerings.
2. Organize Q4 2018 post campaign research to gauge campaign effectiveness and identify audience opportunities.
3. Leverage communication channels owned and controlled by SoCalGas to deploy communications within our service territory about EMT and portfolio offerings.

- a. Channels include, but not limited to: Bill Inserts, Company E- Newsletter, and Web Marquee.
4. Identify cross-promotional opportunities of EMT within Customer Assistance communication activities.
- a. Cross-promotional opportunities include, but not limited to: Direct Mail, E-mail blast, and collateral integrations.
 - b. Additional efforts will be made to target Disadvantaged Communities with high disconnection rates which also include customers who have complained about high bills and customers who have trouble paying their bills. SoCalGas will target these communities by utilizing a combination of internal customer segmentation data, customer disconnection data from Athens Research findings, and the California Communities Environmental Health Screening tool (“CalEnviroScreen”) – helping to ensure EMT message outreach to the disadvantaged regions in its service territory.

Tactics – Earned

1. Event Outreach Support: Identify community events that are suitable for the EMT message and attended by our target segments. Collaborate with SoCalGas’ Media & Employee Communications team to conduct media outreach to attract media attendance and generate coverage in local papers, blogs, and on radio and broadcast channels.
2. Event Social Support: Develop an ongoing social media promotion to be executed through SoCalGas’ Social Media team that will generate interest in community outreach efforts, drive visits to event booths, and increase overall EMT awareness. Social analytic optimization through social management - continue the conversation with engaged consumers through paid and promoted posts, utilizing the feedback to target messaging.

Tactics – Paid

1. Develop a culturally relevant, integrated, multi-channel paid media plan that will generate awareness and understanding levels among our target audience, engage with the target audiences, and drive website visits to encourage content consumption and foster consideration for adoption.
2. Build paid media performance metrics for media channels and partnership programs:
 - a. Integrate local print, digital, paid search, social and grassroots/community efforts to develop a comprehensive integrated strategy that facilitates cross platform audience targeting.
 - i. Utilize appropriate consumer publications.
 - ii. Employ digital for online engagement, driving users to EMT content on www.SocalGas.com.
 - Ability to optimize while in-market and leverage

- best performers.
 - Leverage customer insights to more effectively reach target audience.
3. Explore partnerships with media suppliers, sports affiliations, and venues with aligned target audiences.

Small-Medium Business Targeted Tactics

Tactics – Owned

1. Development and launch of dedicated web page/s on www.SoCalGas.com, where customers would be directed to gather information and maximize engagement regarding EMT and portfolio offerings.
 - a. Leverage communication channels owned and controlled by SoCalGas to deploy communications within our service territory about EMT and portfolio offerings.
2. Channels include, but not limited to: Bill Inserts, Company E-Newsletter, and Web Marquee.
 - a. Identify cross-promotional opportunities of EMT within Small/Medium Energy Efficiency communication activities.
3. Cross-promotional opportunities include, but not limited to: Direct Mail, E-mail blast, and collateral integrations.

Tactics – Earned

1. Event Outreach Support: Identify community events that are suitable for the EMS message and attended by our target segments. Collaborate with SoCalGas' Media & Employee Communications team to conduct media outreach to attract media attendance and generate coverage in local papers, blogs, and on radio and broadcast channels.
2. Nonprofit Installation Giveaway: Identify and donate EMT technologies to a selected nonprofit and package as story of partnership and benefits to media outlets for coverage. Develop deeper content that can be featured on www.SoCalGas.com, SoCalGas' social media channels, and the partner nonprofits' channels.

Tactics – Paid

1. Build paid media performance metrics for media channels and partnership programs:
 - a. Integrate local print, digital, paid search, social and grassroots/community efforts to develop a comprehensive integrated strategy that facilitates cross platform audience targeting.

2. Print & Digital Advertising: expand research, negotiate and implement print and digital campaigns utilizing broad based business publishers (Business Journals, Business Sections of Local Newspapers) to educate business owners on the benefits of EMT across key identified industries.
 - a. Identify appropriate business, professional trade shows, and consider sponsorship.
3. Develop a direct mail campaign to communicate EMTs to selected small/medium segments to generate awareness and interest.

A. SoCalGas Local ME&O AB 793 Plan Schedule

Table 1. Market Facilitation Schedule

SoCalGas Local Market Facilitation Plan 2016-2017	2Q17	3Q17	4Q17-3Q18	4Q18
CPUC Program Approvals				
Campaign & Production Development				
Trade Shows, Community Event Outreach				
In-Market Campaign Live				
Post Campaign Research				