

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



December 4, 2018

Advice Letter 5348

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

**SUBJECT: Request to Establish a Statewide EE Balancing Account (SWEEBA) for
Statewide EE Programs.**

Dear Mr. van der Leeden:

Advice Letter 5348 is effective as of October 4, 2018.

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
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September 4, 2018

Advice No. 5348
(U 904 G)

Public Utilities Commission of the State of California

Subject: Southern California Gas Company's Request to Establish a Statewide Energy Efficiency Balancing Account (SWEEBA) for Statewide Energy Efficiency Programs

Southern California Gas Company (SoCalGas) hereby requests California Public Utilities Commission (CPUC or Commission) approval of modifications to its Preliminary Statement, Part V, Balancing Accounts, applicable throughout its service territory, as shown on Attachment A.

Purpose

SoCalGas submits this advice letter to establish the SWEEBA to track and manage the cost sharing of Energy Efficiency Statewide Programs among Energy Efficiency Investor-Owned Utilities (IOUs)¹ Program Administrators (PAs).

Background

In Decision (D.) 16-08-019, the Commission required the IOUs to file business plan proposals for 2018-2025, including proposing a single lead administrator for each of the designated statewide programs² and at least four separate downstream programs.³ D.16-08-019 also provides for an annual true-up of budgets among the PAs based on customer program participation.⁴

¹ San Diego Gas and Electric Company (SDG&E), SoCalGas, Southern California Edison Company (SCE), and Pacific Gas and Electric Company (PG&E) (collectively, the IOUs).

² D.16-08-019, Decision Providing Guidance for Initial Energy Efficiency Rolling Portfolio Business Plan Filing, p. 61.

³ Id., p. 65.

⁴ Id., p. 55.

On January 17, 2017, SoCalGas filed its Energy Efficiency (EE) Business Plan Application for program years 2018-2025. On August 4, 2017, SDG&E filed a motion to establish balancing accounts to track funding for statewide programs. The establishment of balancing accounts would allow the IOUs to track and manage the cost sharing among the statewide program lead administrators and the contributing PAs.

On May 31, 2018, the Commission issued D.18-05-041 adopting IOU and non-IOU PAs Energy Efficiency Business Plans. D.18-05-041 also approved lead PA assignments for statewide program areas and downstream pilots.⁵ These statewide lead PA assignments are expected to remain in place through the end of the business plan period (i.e., through 2025) until or unless new business plans are filed by one or more PA with proposals for new or different statewide leads. Additionally, D.18-05-041 denied SDG&E's balancing account motion, and instead deferred addressing the issue further, as necessary, in the energy efficiency rulemaking (R.13-11-005 or its successor).⁶ In the meantime, D.18-05-041 directed the IOUs to file a Tier 1 advice letter proposing a method for addressing cost-sharing for the statewide program. On September 4, 2018, SDG&E, on behalf of the IOUs submitted a Tier 1 Advice Letter proposing a mechanism for shared funding of statewide programs pursuant to Ordering Paragraph 24 of D.18-05-041.⁷

Discussion

Pursuant to the direction in D.18-05-041 and in relation with the mechanism for shared funding proposed in Advice No. (AL) 5346, et al., SoCalGas seeks approval to establish the SWEEBA, as described in the new preliminary statement included in Attachment A.

The SWEEBA aims to facilitate the reporting, true-up process, and provide transparency into the management of the statewide budgets. The SWEEBA will track: (1) SoCalGas' contribution and administration of all statewide programs for which it is the lead PA; and (2) all funds transferred from other non-lead IOU PAs for statewide programs that SoCalGas will be administering on their behalf.

SoCalGas' contribution to the approved statewide programs will be funded through transfers of the authorized revenue requirement from the existing EE balancing account, which is the Demand Side Management Balancing Account (DSMBA). The annual true-up by the Commission will be handled through an agreed-upon annual report that provides each contributing PA with the status of their payments and their share of the interest for the programs administered by SoCalGas.

⁵ D.18-05-041, pp. 90-92.

⁶ Id., p. 86.

⁷ SDG&E (AL 3268-E/2701-G, et al.), SoCalGas (AL 5346), SCE (AL 3861-E), and PG&E (AL 5373-E/4009-G).

During the lifecycle of the statewide programs, SoCalGas will work with each IOU PA to ensure that there is adequate continued funding for the statewide programs, which will be addressed in the Tier 1 advice letter. At the end of each program year, SoCalGas will do a final true-up of each participating non-lead IOU PA share and will repay any remaining unused balance to the participating non-lead IOU PA. In addition, SoCalGas' unused share of the program will be transferred back to its DSMBA.

This advice letter only includes SoCalGas' proposal for managing and tracking the funding for EE statewide programs for which SoCalGas is the lead IOU. The mechanism proposed in SDG&E's Joint AL 3268-E/2701-G, et al. does not require all IOUs to have the same tracking mechanism, but does ensure consistency in the funding transfer mechanism between the IOUs.

Protest

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and must be received within 20 days of the date of this Advice Letter, which is October 24, 2018. The address for mailing or delivering a protest to the Commission is given below.

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

A copy of the protest should also be sent via e-mail to the attention of 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 that this submittal is subject to Energy Division 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 advice letter be approved on October 4, 2018, which is 30 calendar days from the date submitted.

Notice

A copy of this advice letter is being sent to SoCalGas' GO 96-B service list and the Commission's service list in R.13-11-005 and A.17-01-013 et. al. Address change requests to the GO 96-B service list should be directed by e-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 e-mail at process_office@cpuc.ca.gov.

Ronald van der Leeden
Director - Regulatory Affairs

Attachments



ADVICE LETTER SUMMARY

ENERGY UTILITY



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

Company name/CPUC Utility No.:

Utility type:

ELC GAS WATER
 PLC HEAT

Contact Person:

Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas WATER = Water
PLC = Pipeline HEAT = Heat

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: Monthly Quarterly Annual One-Time Other:

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

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

Summarize differences between the AL and the prior withdrawn or rejected AL:

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement. Name and contact information to request nondisclosure agreement/ access to confidential information:

Resolution required? Yes No

Requested effective date:

No. of tariff sheets:

Estimated system annual revenue effect (%):

Estimated system average rate effect (%):

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:

Pending advice letters that revise the same tariff sheets:

¹Discuss in AL if more space is needed.

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

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, CA 94102
Email: EDTariffUnit@cpuc.ca.gov

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

Name:
Title:
Utility Name:
Address:
City: State:
Telephone (xxx) xxx-xxxx:
Facsimile (xxx) xxx-xxxx:
Email:

ATTACHMENT A
Advice No. 5348

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 55436-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DESCRIPTION AND LISTING OF BALANCING ACCOUNTS, Sheet 2	Revised 54130-G
Original 55437-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, STATEWIDE ENERGY EFFICIENCY BALANCING ACCOUNT (SWEEBA), Sheet 1	
Original 55438-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, STATEWIDE ENERGY EFFICIENCY BALANCING ACCOUNT (SWEEBA), Sheet 2	
Revised 55439-G Revised 55440-G	TABLE OF CONTENTS TABLE OF CONTENTS	Revised 55435-G Revised 55321-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
DESCRIPTION AND LISTING OF BALANCING ACCOUNTS

Sheet 2

(Continued)

B. LISTING OF BALANCING ACCOUNTS (Continued)

Distributed Energy Resources Services Balancing Account (DERSBA)
Storage Integrity Management Program Balancing Account (SIMPBA)
Natural Gas Leak Abatement Program Balancing Account (NGLAPBA)
Statewide Energy Efficiency Balancing Account (SWEEBA)

N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5348
DECISION NO.

2H10

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Sep 4, 2018
EFFECTIVE Oct 4, 2018

RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
STATEWIDE ENERGY EFFICIENCY BALANCING ACCOUNT (SWEEBA)

Sheet 1

1. Purpose

The purpose of the SWEEBA is to record the difference between program funding and associated program expenses for statewide energy efficiency programs for which SoCalGas is the Lead Program Administrator (PA). SoCalGas' contribution to these statewide programs will be funded through transfers of the authorized revenue requirement from its existing Demand Side Management Balancing Account (DSMBA) and program funding transferred from Non-Lead PAs. The SWEEBA will also record expenses that will be incurred by SoCalGas for the administration of these statewide programs as the Lead PA.

2. Applicability

The SWEEBA shall apply to all customer classes, except for any classes that may be specifically excluded by the Commission.

3. Rates

The balance in the SWEEBA will be included Public Purpose Program surcharge rates as authorized by the Commission.

4. Accounting Procedures

SoCalGas maintains the SWEEBA by making monthly entries, net of FF&U, as follows:

- a. Credit entries for funding from the Non-Lead PAs for programs that SoCalGas will be administering on their behalf;
- b. Credit entries to reflect the transfer from the DSMBA representing SoCalGas' contribution to these statewide programs for which SoCalGas is the Lead PA;
- c. Debit entries to record expenses incurred by SoCalGas for the administration of these statewide programs;
- d. Debit entries to record statewide energy efficiency program expenses;
- e. Debit or credit entry to record annual true-up of Non-Lead PA program funding as calculated by SoCalGas (Note: The SWEEBA will also separately track contributed program funding by participating Non-Lead PAs and the corresponding allocated statewide energy efficiency program expenses to facilitate the annual true-up process.);
- f. An entry to amortize the prior year's balance, and
- g. An entry equal to interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

(Continued)

(TO BE INSERTED BY UTILITY)
ADVICE LETTER NO. 5348
DECISION NO.

ISSUED BY
Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)
SUBMITTED Sep 4, 2018
EFFECTIVE Oct 4, 2018
RESOLUTION NO. _____

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS
STATEWIDE ENERGY EFFICIENCY BALANCING ACCOUNT (SWEESA)

Sheet 2

(Continued)

1. Disposition

At the end of each program year, SoCalGas will do a final true-up of each participating Non-Lead PA share and will either repay any remaining balance and SoCalGas' share of the program will be transferred back to its DSMBA. The final disposition of the SWEESA will be addressed through a Tier 2 advice letter or appropriate Energy Efficiency proceeding.

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N

(TO BE INSERTED BY UTILITY)

ADVICE LETTER NO. 5348
DECISION NO.

2C10

ISSUED BY

Dan Skopec
Vice President
Regulatory Affairs

(TO BE INSERTED BY CAL. PUC)

SUBMITTED Sep 4, 2018
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TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

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(TO BE INSERTED BY UTILITY)
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(Continued)

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