

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE  
SAN FRANCISCO, CA 94102-3298



April 11, 2019

**Advice Letter 5436**

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

**SUBJECT: Pilot Process Evaluation, Community Energy Navigator (CEN), and  
Economic Feasibility Framework Cost Sharing Agreement Pursuant to  
Decision (D.) 18-12-015**

Dear Mr. van der Leeden:

Advice Letter 5436 is effective as of March 12, 2019.

Sincerely,

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

Edward Randolph  
Deputy Executive Director for Energy and Climate Policy/  
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](mailto:RvanderLeeden@semprautilities.com)

March 12, 2019

Advice No. 5436  
(Southern California Gas Company - U 904G)

Advice No. 4075-G/5494-E  
(Pacific Gas and Electric Company - U 39-M)

Advice No. 3967-E  
(Southern California Edison Company - U 338-E)

Public Utilities Commission of the State of California

**Subject: Pilot Process Evaluation, Community Energy Navigator (CEN), and Economic Feasibility Framework Cost Sharing Agreement Pursuant to Decision (D.) 18-12-015**

Southern California Gas Company (SoCalGas) on behalf of itself, Pacific Gas and Electric Company (PG&E), and Southern California Edison Company (SCE) (collectively "utilities"), hereby submits for approval by the California Public Utilities Commission (Commission) a Joint Tier 1 Pilot Project Process Evaluation, CEN, and Economic Feasibility Framework Cost Sharing Advice Letter establishing a co-funding agreement that specifies the cost-sharing schema.

### **Purpose**

Pursuant to D.18-12-015, Ordering Paragraph (OP) 29, this submittal establishes a cost-sharing schema for pilot project process evaluation, contracting to support development of an economic feasibility framework and CEN co-funding agreements.

### **Background**

On December 19, 2018, the Commission issued D.18-12-015 approving the San Joaquin Valley (SJV) Disadvantaged Communities (DACs) pilot projects. OP 29 of D.18-12-015 directed the utilities to submit a joint Tier 1 Pilot Project Process

Evaluation, CEN, and Economic Feasibility Framework Cost Sharing Advice Letter within 90 days of issuance of D.18-12-015 containing a co-funding agreement that specifies the cost-sharing schema for three activities;

1. A pilot project process evaluation contract with SoCalGas, with costs not to exceed \$250,000;
2. A contract to support development of an economic feasibility framework with SCE, with costs not to exceed \$500,000; and
3. CEN Program Management Contract with SCE with costs not to exceed \$1,500,000.

Additionally, OP 29 authorizes the utilities to recover their portion of these costs as detailed below in the one-way balancing accounts authorized in OPs 23 and 24.

**Establishment of the Pilot Project Process Evaluation, Economic Feasibility Framework and Community Energy Navigator Cost Sharing Co-Funding Schema**

The utilities propose the following cost-sharing schema for pilot project process evaluation activities, the development of an economic feasibility framework and for CEN activities as follows:

**Pilot Project Process Evaluation**

Based on the overall number of SJV DAC Pilot households and the proportion of these households in each utility's service area, the costs for a pilot project process evaluation shall be shared between the utilities as shown in Table 1 below:

Table 1: Pilot Process Evaluation Budget Allocation

| <b>Utility</b> | <b>Budget Allocation</b> |
|----------------|--------------------------|
| PG&E           | 45%                      |
| SCE            | 30%                      |
| SoCalGas       | 25%                      |

**Economic Feasibility Framework**

Costs for developing an economic feasibility framework shall be budgeted and shared between the utilities equally. Table 2 below shows the economic feasibility framework budget allocation as per D.18-12-015:<sup>1</sup>

Table 2: Economic Feasibility Budget Allocation

| <b>Utility</b> | <b>Budget Allocation</b> |
|----------------|--------------------------|
| PG&E           | 33%                      |
| SCE            | 33%                      |
| SoCalGas       | 33%                      |

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<sup>1</sup> D.18-12-015, at 141.

### Community Energy Navigator

In order to prevent cross-subsidization, funding from one utility will not be used to pay for CEN Program Manager (CPM) or CEN activities for a different utility's pilot and the following mechanisms will be put in place:<sup>2</sup>

Funding allocated for a utility will only be used by pilot Program Administrators to pay for pilot activities by that utility. The Statement of Work (SOW) for the CPM and CEN vendors will be divided by utility into three IOU-specific sections and a fixed cost section. Vendors' fixed costs will be defined and allocated per the percentages identified below, and the overall cost of each utility's portion of the contract - fixed costs plus the utility-specific cost - shall not exceed the utility-specific budgets authorized in D.18-12-015 and detailed below. Invoices submitted by contractors for all work performed in the pilot communities will be provided to all utilities and will be itemized by utility. Each utility will review and approve prior to payment. Copies of detailed invoices and payment records will be provided in the post-pilot report summarizing utilities engagement efforts and pilot implementation progress, including use of leveraged programs.

Costs for CEN shall be budgeted and shared between the utilities as per the percentage of the overall CEN budget allocated to each utility in D.18-12-015.<sup>3</sup> Of the overall budget of \$1.5M, PG&E was allocated \$505,600,<sup>4</sup> or 34%; SCE was allocated \$532,100, or 35%; and SoCalGas was allocated \$462,300, or 31%. Table 3 below shows the CEN budget allocation:

Table 3: CEN Budget Allocation

| <b>Utility</b> | <b>CEN Budget Allocation</b> |
|----------------|------------------------------|
| PG&E           | 34%                          |
| SCE            | 35%                          |
| SoCalGas       | 31%                          |

### Protests

Anyone may protest this advice letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date of this advice letter, which is April 1, 2019. The address for mailing or delivering a protest to the Commission is:

<sup>2</sup> D.18-12-015, at 84.

<sup>3</sup> Ibid, at 66.

<sup>4</sup> The CEN budget for PG&E was \$142,000. The CEN budget for Third Party PA/PI in PG&E service territory was \$363,600 for a total of \$505,600.

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

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

For SoCalGas:  
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](mailto:ROrtiz@semprautilities.com)

For PG&E:  
Erik Jacobson  
Director, Regulatory Relations  
c/o Megan Lawson  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B13U  
P.O. Box 770000  
San Francisco, CA 94177  
Facsimile: (415) 973-3582  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

For SCE:  
Gary A. Stern, PhD.  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, CA 91770  
Telephone: (626) 302-9645  
Facsimile: (626) 302-6396  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Laura Genao  
Managing Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, CA 94102  
Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

### **Effective Date**

SoCalGas asserts this advice letter is subject to Energy Division disposition and should be classified as Tier 1 (effective pending disposition) pursuant to General Order (GO) 96-B. This submittal is consistent with OP 29 of D.18-12-015. Accordingly, SoCalGas respectfully requests that this advice letter become effective for service on March 12, 2019, the date of submittal.

### **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.15-03-010. Address change requests to the GO 96-B service list should be directed via e-mail to [tariffs@socalgas.com](mailto: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 via e-mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

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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 proposed<sup>1</sup>:

Pending advice letters that revise the same tariff sheets:

<sup>1</sup>Discuss 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](mailto:EDTariffUnit@cpuc.ca.gov)

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

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