

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE
SAN FRANCISCO, CA 94102-3298



June 4, 2021

Joseph Mock
Director, Regulatory Affairs
Southern California Gas Company
555 W. Fifth Street
Los Angeles, CA 90013

Dear Mr. Jacobson,

This disposition letter serves as a notice of approval of Southern California Gas Company's (SoCalGas's) 2021 Third-Party Solicitation advice letter and partial supplemental:

5790 and 5790-A: Willdan's Large Commercial Program and Enovity's RCx+ Program

This Advice Letter is effective June 4th, 2021.

Background

Decision D.18-01-004, the Third-Party Solicitation Process Decision, requires the four California Investor-Owned Utilities (IOUs) to file a Tier 2 advice letter for each third-party contract, or batch of third-party contracts, that is valued at \$5 million or more and/or with a term of longer than three years, for commission review.¹ On May 20, 2021, SCG filed this Large Commercial program and RCX+ program advice letter partial supplemental as part of its Large Commercial solicitation.

In operationalizing the review of third-party advice letters, EE Staff focused its review on the fairness of the solicitations process, size of contract budget and forecasted savings, and the contract's contribution to the portfolio-level cost-effectiveness requirements. Approval of this advice letter is not evidence of Commission approval of future program implementation. It is PG&E's responsibility to manage its portfolio to ensure it remains in compliance with its approved business plan and all CPUC Decisions.

Programs offering a customer loan non-incentive or similar financing mechanism make a customer's financing utilization a program participation requirement and thus should account for customer costs in cost-benefit calculations as participant costs. A customer loan non-incentive (CLNI) offers technical assistance to a customer to encourage use of a loan for efficient equipment or custom retrofit and offers no cash rebate, loan, or support of a debt instrument like a establishing a loan loss reserve for a loan pool. In other words the savings will not occur without the CLNI or similar financing measure that the program offers. This measure type is being newly used to connect customers with fee-based loans, and as such it is covered under existing mandates. Decision 92-02-075 requires accounting for the total costs of the program including participants' and the utility's costs in the cost effectiveness calculations. Energy Division will issue forthcoming guidance on how to accurately supply information for claims reporting. If a program has a financial element like the CLNI or similar, please be aware that cost-effectiveness tool reporting requirements may be adjusted as necessary.

¹ D.18-01-004, pg. 57

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**Implementation Plan Development**

Decision D.18-05-041, the Business Plan Decision, Ordering Paragraph 2 requires implementation plans to be posted within 60 days of contract execution, or within 60 days of Commission approval if the contract meets the advice letter threshold. With the issuance of this disposition, implementation plan for this program is due to be posted no later than August 3rd, 2021.

Please direct any questions regarding Energy Division's findings in this non-standard disposition to Jordan Christenson (jordan.christenson@cpuc.ca.gov).

Sincerely,

A handwritten signature in cursive script, appearing to read "ER" followed by "(f01)".

Edward Randolph
Deputy Executive Director for Energy and Climate Policy/
Director, Energy Division

Cc: Service List R.13-11-005
Pete Skala, Energy Division
Jennifer Kalafut, Energy Division
Alison LaBonte, Energy Division
Jordan Christenson, Energy Division



Joseph Mock
Director
Regulatory Affairs

555 W. Fifth Street, GT14D6
Los Angeles, CA 90013-1011
Tel: 213.244.3718
Fax: 213.244.4957
JMock@socalgas.com

May 21, 2021

Advice No. 5790-A
(U 904 G)

Public Utilities Commission of the State of California

Subject: Partial Supplement - Southern California Gas Company's Request for Approval of a Third-Party Contract from the Large Commercial Sector Solicitation, Pursuant to Decision (D.) 18-01-004

Southern California Gas Company (SoCalGas) hereby submits for approval by the California Public Utilities Commission (CPUC or Commission) third-party contracts for The Large Commercial Program (LCP) and Service RCx+ (RCx+) Programs, resulting from the Large Commercial (Lg Comm) Sector solicitation.

Purpose

This Partial Supplemental Advice Letter provides information to clarify Integrated Demand Side Management (IDSM) aspects of the programs proposed herein. Pursuant to D.18-01-004, Ordering Paragraph (OP) 2, program administrators (PAs)¹ are directed to submit a Tier 2 Advice Letter for each third-party contract, or a batch of third-party contracts, that is valued at \$5 million or more and/or with a term of longer than three years, for Commission review.²

Background

On March 31, 2021, SoCalGas submitted Advice Letter (AL) 5790 to request approval of a third-party contract from the Lg Comm Sector solicitation. On May 18, 2021, the Commission's Energy Division directed SoCalGas to partially supplement AL 5790 to

¹ In OP 2, the utility PAs are Pacific Gas and Electric Company, San Diego Gas & Electric Company, Southern California Edison Company, and SoCalGas.

² D.18-01-004, at 61.

clarify IDSM aspects of the programs under the Background section. The Background section in AL 5790 is revised as follows (new language bolded for emphasis):

On January 17, 2018, the Commission issued D.18-01-004, addressing the required process for third-party solicitations in the context of the rolling portfolio energy efficiency (EE) programs overseen by the investor-owned utilities (IOUs) PAs. D.18-01-004 also required that independent evaluators (IE) be utilized for third-party solicitations. Moreover, the Commission required all third-party contracts to include a formal IE report to be submitted via a Tier 2 Advice Letter for those contracts that are valued at \$5 million or more and/or with terms of longer than three years.

SoCalGas' LCP and RCx+ Program are targeted towards large commercial customers with annual usage of 50,000 therms or greater. The LCP will target 100% downstream market channel using Deemed, Custom and Normalized Metering Energy Consumption strategies. The RCx+ program will offer NMEC-based savings through the direct implementation of RCx and Optimization services.

With regards to IDSM support, details will be provided in Willdan's LCP Implementation Plan, in which details of partnerships for the non-EE IDSM measures will be outlined, as well as the non-EE IDSM measures indicated. Additionally, in the description for IDSM Implementation Support it will be clarified that technical services are not subject to additional approval, and SoCalGas will work collaboratively with Willdan on any incremental funding needs, should they arise.

Enovity's Service RCx+ LCP does not currently offer any direct IDSM measures. However, IDSM includes using Advanced Meter Infrastructure (AMI) metering to enhance program designs and customer engagements. Service RCx+ is a meter-based program in which AMI metering is foundational to program implementation. The AMI metering will inform and educate customers on the timing/nature of their energy use, maximizing the persistence of the Service RCx+ measures implemented and identified for follow-on. Such opportunities need not be limited to the scope of the Service RCx+ program. If direct IDSM opportunities arise, the customers will be referred to the applicable program.

The LCP is expected to contribute 2,190,594 net therms over four years. Forty percent of the savings will target those in disadvantaged communities (DACs). The focus on these customers strengthens SoCalGas' commitment to reach its most vulnerable customers. The total resource cost (TRC) ratio for this program is forecasted to be 1.29. This

contract represents approximately 2.9 percent of SoCalGas' forty percent third-party solicitation requirement.

The RCx+ Program is expected to contribute 1,073,250 net therms over four years. The TRC ratio for this program is forecasted to be 1.25. This contract represents approximately 0.62 percent of SoCalGas' forty percent third-party solicitation requirement.

Protest

Pursuant to General Order (GO) 96-B, General Rule 7.5.1. and at the direction of the Energy Division, SoCalGas hereby requests that the protest period be waived.

Effective Date

SoCalGas believes this Advice Letter is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to GO 96-B. This submittal is consistent with D.18-01-004. SoCalGas respectfully requests that this submittal be approved on April 30, 2021, which is the effective date requested in AL 5790.

Notice

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

/s/ Joseph Mock
Joseph Mock
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: 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: