

PUBLIC UTILITIES COMMISSION  
505 Van Ness Avenue  
San Francisco CA 94102-3298



**Southern California Gas Company**  
**GAS (Corp ID 904)**  
**Status of Advice Letter 6058G**  
**As of December 21, 2022**

Subject: Southern California Gas Company's Request to Utilize Unspent and Uncommitted Energy Efficiency Funds to Support Summer Electric Reliability Efforts

Division Assigned: Energy

Date Filed: 11-22-2022

Date to Calendar: 11-30-2022

Authorizing Documents: D2112011

<b>Disposition:</b>	<b>Accepted</b>
<b>Effective Date:</b>	<b>12-22-2022</b>

Resolution Required: No

Resolution Number: None

Commission Meeting Date: None

CPUC Contact Information:

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**PUBLIC UTILITIES COMMISSION**  
505 Van Ness Avenue  
San Francisco CA 94102-3298



To: Energy Company Filing Advice Letter

From: Energy Division PAL Coordinator

Subject: Your Advice Letter Filing

The Energy Division of the California Public Utilities Commission has processed your recent Advice Letter (AL) filing and is returning an AL status certificate for your records.

The AL status certificate indicates:

- Advice Letter Number
- Name of Filer
- CPUC Corporate ID number of Filer
- Subject of Filing
- Date Filed
- Disposition of Filing (Accepted, Rejected, Withdrawn, etc.)
- Effective Date of Filing
- Other Miscellaneous Information (e.g., Resolution, if applicable, etc.)

The Energy Division has made no changes to your copy of the Advice Letter Filing; please review your Advice Letter Filing with the information contained in the AL status certificate, and update your Advice Letter and tariff records accordingly.

All inquiries to the California Public Utilities Commission on the status of your Advice Letter Filing will be answered by Energy Division staff based on the information contained in the Energy Division's PAL database from which the AL status certificate is generated. If you have any questions on this matter please contact the:

Energy Division's Tariff Unit by e-mail to  
**[edtariffunit@cpuc.ca.gov](mailto:edtariffunit@cpuc.ca.gov)**



**Joseph Mock**  
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November 22, 2022

Advice No. 6058  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Southern California Gas Company's Request to Utilize Unspent and Uncommitted Energy Efficiency Funds to Support Summer Electric Reliability Efforts**

### **Purpose**

Pursuant to Ordering Paragraph (OP) 5 of Decision (D).21-12-011, Southern California Gas Company (SoCalGas) seeks California Public Utilities Commission (Commission or CPUC) approval to utilize unspent energy efficiency (EE) funds to support summer electric reliability efforts in 2023.

Specifically, SoCalGas proposes to fund additional EE measures that provide the dual fuel benefits of gas and electric energy savings and electric demand reductions during peak periods to support summer reliability efforts in 2023. SoCalGas proposes to use \$8.299 million of pre-2020 unspent and uncommitted EE funds to fund these additional reliability-focused EE measures.

### **Background**

On December 2, 2021, in response to Governor Newsom's July 30, 2021 Emergency Proclamation, the Commission issued D.21-12-011, which funded various electric investor-owned utilities (IOU) activities that would result in energy efficiency and reliability benefits in 2022 and 2023. The decision also allows any existing EE program administrator (PA) the opportunity to reallocate unspent and/or uncommitted EE funding, considering the CPUC's direction in D.21-01-004 concerning the School Energy Efficiency Stimulus Program, to 2023 reliability-focused programs or measures.<sup>1</sup> Additionally, in D.21-12-011, the CPUC concluded it is reasonable to suspend cost-effectiveness thresholds for these reliability efforts because they are incremental to the primary IOU EE portfolio efforts and is also an emergency order in response to the Governor's Proclamation.<sup>2</sup>

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<sup>1</sup> D.21-12-011, OP 5.

<sup>2</sup> Conclusions of Law (COL) 8.

To implement this authorization, the Commission allows any EE PA to submit a Tier 2 Advice Letter at any time through the end of June 2023 with notification that they intend to reallocate funds, how, and why, to produce additional summer reliability benefits as specified in this decision.<sup>3</sup>

### **SoCalGas' Previous Success in Dual-Fuel Energy Efficiency**

SoCalGas has decades of experience delivering EE measures, activities, and services that support multi-fuel benefits, including natural gas EE savings, electric EE savings and demand reduction, and water conservation. SoCalGas has rebated and/or installed over 270,000 smart thermostats since 2016 through its various EE programs. These efforts have resulted in 1,830,742 annual therm savings and 18,682,444 annual kilowatt-hour savings.

### **SoCalGas' Dual-Fuel Energy Efficiency Request**

To help address the CPUC's summer reliability concerns, SoCalGas proposes to promote EE measures that provide both gas and electric energy savings while providing electric demand reduction during peak and net peak periods.<sup>4</sup> These dual-fuel EE measures delivered through SoCalGas' existing residential direct-install EE programs<sup>5</sup> are incremental to SoCalGas' current EE portfolio and are focused on supporting electric reliability efforts. To respond to the CPUC's reliability concerns in 2023, SoCalGas, upon receiving CPUC authorization, will immediately roll out these new dual-fuel EE measures through direct install opportunities targeting residential single-family and manufactured homes located in areas of SoCalGas' service territory. SoCalGas proposes to introduce the following reliability dual-fuel measures:

- High-efficiency wall and ceiling insulation
- Efficient heating, ventilation, and air-conditioning (HVAC) duct test and seal
- Efficient HVAC duct retrofit and replacements
- Smart thermostats

These dual-fuel EE measures will directly reduce HVAC electric and gas energy usage while producing electric net peak demand reductions. SoCalGas will offer these dual-fuel EE measures to advance reliability efforts for the summer of 2023. SoCalGas will leverage its existing direct install implementers who can install the proposed measures. To support electric reliability, the implementers can scale appropriately to deliver clear and unequivocal energy savings during net peak summer hours. The measures will follow all standard EE program rules, including reporting and cost-effectiveness.

SoCalGas believes its summer reliability activities can also directly advance other State efforts to reduce the impacts of the ongoing California drought. To this end, SoCalGas proposes co-promoting water conservation measures to advance drought mitigation efforts, with funding provided by local water utilities and agencies at no additional cost to SoCalGas

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<sup>3</sup> OP 5.

<sup>4</sup> Peak demand (during 4:00 p.m. – 9:00 p.m.) and/or net peak (during 7:00 p.m. – 9:00 p.m.) demand reductions per D.21-12-011, p. 2.

<sup>5</sup> SoCalGas' existing residential single-family and manufactured homes direct-install programs (SCG3861, SCG3883, SCG3884, SCG3885).

ratepayers. Given past joint efforts with water agencies, SoCalGas expects collaboration to further advance California's energy and water policies without incremental cost to its ratepayers.

### **Expected Energy Savings and Demand Reductions**

SoCalGas expects to be able to serve more than 10,000 residential customers with one or more of the aforementioned EE measures. SoCalGas provides the estimated impacts of these summer reliability activities in Table 1 below:

<b>Table 1 – Incremental Energy Savings and Demand Reduction</b>	
<b>Forecast</b>	<b>Total</b>
Peak Demand (kW)	4,507
Electric Savings (kWh)	5,271,124
Gas Savings (Therms)	343,554

\*Direct Install activity would begin upon approval to promote net peak demand reduction is realized for 2023 Summer Reliability.

SoCalGas provides detailed energy and demand savings forecasts by measure, year, and customer segment in Table 3 of Attachment A.

### **Proposed Budget**

SoCalGas's proposed budget to deliver these incremental dual-fuel EE measures through the stand-alone SoCalGas reliability program is shown in Table 2 below:

<b>Table 2 – Budget Summary</b>		
<b>Cost Categories</b>	<b>Total</b>	<b>%</b>
Administrative	\$299,000	4%
Marketing	\$0	0%
Direct Implementation	\$7,999,568	96%
Customer Incentives	\$0	0%
<b>Total</b>	<b>\$8,298,568</b>	<b>100%</b>

\*Direct Install activity would begin upon approval to promote net peak demand reduction is realized for 2023 Summer Reliability.

### **Funding Source**

SoCalGas has identified \$8.299 million in unspent uncommitted EE funds from program years prior to 2020 to fund the proposed Summer Reliability program. Consistent with CPUC direction in D.21-12-011 OP 5, SoCalGas proposes reallocating these unspent funds to fund 2023 summer reliability-focused measures as part of SoCalGas's existing residential EE program portfolio.

**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 submitted electronically and must be received within 20 days after the date of this Advice Letter, which is December 12, 2022. Protests should be submitted to the attention of the Energy Division Tariff Unit at:

E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

In addition, protests and all other correspondence regarding this Advice Letter should also be sent electronically to the attention of:

Attn: Gary Lenart  
Regulatory Tariff Manager  
E-mail: [GLenart@socalgas.com](mailto:GLenart@socalgas.com)  
E-mail: [Tariffs@socalgas.com](mailto:Tariffs@socalgas.com)

**Effective Date**

SoCalGas asserts 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. It is submitted pursuant to OP 5 of D.21-12-011. Therefore, SoCalGas respectfully requests that this submittal become effective December 22, 2022, which is 30 calendar days after 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. 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).

*/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 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:

**ATTACHMENT A**

**Advice No. 6058**

**Detailed Forecast Tables**

**Table 3 - Detailed Forecast - Energy and Demand Savings Forecast, by Measure**

Measure	Units	kW	kWh	Therms
<b>Single-Family</b>				
Smart Thermostats	2,990	-	562,803	31,154
Duct Test and Seal	17,986	2,017	1,535,227	154,904
Insulation	15,007	2	1,009	435
Subtotal		2,019	2,099,039	186,493
<b>Manufactured Homes</b>				
Smart Thermostats	1,495	-	247,504	11,466
Duct Test and Seal	8,992	1,551	1,777,390	99,033
Duct Retrofit	2,266	405	282,460	22,670
Duct Replacement	2,249	533	864,730	23,892
Subtotal		2,488	3,172,085	157,061
<b>Total</b>		<b>4,507</b>	<b>5,271,124</b>	<b>343,554</b>

~10,000 homes = based on the estimated number of duct test and seal units across single-family and manufactured homes.

\*Direct Install activity would begin upon approval to ensure net peak demand reduction is realized for 2023 Summer Reliability.