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Advice No. 6113  
(U 904 G)

Public Utilities Commission of the State of California

**Subject: Southern California Gas Company's Request for Approval of four Third-Party Contracts from the Industrial 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) four third-party contracts for the i2iStrategic Energy Management (i2iSEM) Program, the Industrial Savings, Training, Assistance, and Rebates Program (iSTAR), the Industrial Energy Partners Program (IEP), and the Refinery Gas Energy Efficiency Program (RGEEP), resulting from the Industrial (Ind) Sector solicitation.

### **Purpose**

Pursuant to D.18-01-004, Ordering Paragraph (OP) 2, program administrators (PAs)<sup>1</sup> are directed to submit a Tier 2 Advice Letter for each third-party contract, or a batch of third-party contracts, which is valued at \$5 million or more and/or with a term of longer than three years, for Commission review.<sup>2</sup>

### **Background**

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

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<sup>1</sup> In OP 2, the utility PAs are Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), Southern California Edison Company (SCE), and SoCalGas.

<sup>2</sup> D.18-01-004, OP 2 at 61.

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' Innovations to Industrials SEM (i2iSEM), Industrial Savings, Training, Assistance, and Rebates (iSTAR), Industrial Energy Partners (IEP) and Refinery Gas Energy Efficiency (RGEEP) programs will target all industrial customers. More details on the financial and regulatory scope and expected impact to industrial customer segments are as follows:

- i2iSEM is a long-term strategic energy management program that will work with all industrial segment customers to help enhance their business and facility operational and maintenance practices. i2iSEM is expected to contribute 2,187,316 net therms over 60 months. The total resource cost (TRC) ratio for this program is forecasted to be 2.23. This contract represents approximately 1 percent of SoCalGas' 2023 sixty percent third-party solicitation requirement.
- iSTAR will target the downstream market channel using deemed, custom and Normalized Metered Energy Consumption NMEC strategies in the food and beverage segment. iSTAR is expected to contribute 1,219,205 net therms over 60 months. The total resource cost (TRC) ratio for this program is forecasted to be 2.96. This contract represents approximately 2 percent of SoCalGas' 2023 sixty percent third-party solicitation requirement.
- IEP will service textile, wood, paper, mining, aerospace, machinery, asphalt, cement, minerals, metals, and plastic sub-segments using a downstream market approach and leveraging the Deemed and Custom savings platforms. IEP is expected to contribute 6,488,910 net therms over 60 months. The total resource cost (TRC) ratio for this program is forecasted to be 2.60. This contract represents approximately 5 percent of SoCalGas' 2023 sixty percent third-party solicitation requirement.

RGEEP is also a downstream program and will solely target refineries using deemed and custom measures as primary savings methods. RGEEP is expected to contribute 6,116,250 net therms over 60 months. The total resource cost (TRC) ratio for this program is forecasted to be 1.51. This contract represents approximately 2 percent of SoCalGas' 2023 sixty percent third-party solicitation requirement.

### **Third-Party Contract Solicitation**

The four third-party contracts resulting from the Industrial solicitation meet the threshold requiring Commission approval of the contracts. All executed and anticipated contracts are listed in Table A, below.

<b>Table A: Contracts in the Industrial Solicitation</b>			
<b>Contract</b>		<b>Budget</b>	<b>Duration</b>
1.1	The i2i SEM Program	\$6,800,000	60 months
1.2	The iSTAR Program	\$5,500,000	60 months
1.3	The IEP Program	\$24,628,152	60 months
1.4	The RGEEP Program	\$23,000,000	60 months

Table B summarizes the contracts requiring approval via an Advice Letter.

<b>Table B 1: General Contract Summary – Cascade Energy, Inc.</b>		
1	Solicitation name	Industrial
2	Type of program: local, regional, or statewide	Local
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or downstream).	Downstream
3.1	A. Direct Install/Downstream Customer Targeting (Yes or No)	Yes
3.2	B. Customer Targeting brief description, if applicable.	The i2i SEM Program will be open to industrial sector customers in SoCalGas territory with >250,000 Therms/year usage. Specifically, customers with NAICS codes 31 –33 (manufacturing),21 (mining),22 (utilities-primarily water and wastewater treatment plants (WWTP)), 81 (Industrial Laundries), and other relevant facilities categorized as industrial by SoCalGas are qualified to participate. Petroleum refinery customers with NAICS code of 324110 are excluded from participating in i2i SEM.
3.3	C. Midstream/Upstream Market Actors receiving incentives [i.e., manufacturers, distributors, contractors, or other (specify)].	N/A
4	Market/Sector(s)	Industrial
5	Customer Segment(s)	Very large Industrial customers

<b>Table B 1: General Contract Summary – Cascade Energy, Inc.</b>		
		(>250,000 therms/year usage) with NAICS codes 31 –33 (manufacturing),21 (mining),22 (utilities-primarily water and wastewater treatment plants), 81 (Industrial Laundries),and other relevant facilities categorized as industrial by SoCalGas. Petroleum refinery customers with NAICS code of 324110 are excluded from participating in i2i SEM.
6	Third-Party Implementer/Subcontractor name	Cascade Energy, Inc.
7	Name of program or service	Innovations to Industrials (i2i) SEM
8	Brief description of program or service (2-3 sentences).	i2i SEM is an industrial SEM program as defined by the California Statewide SEM Design Guide, which takes cohorts of customers through each of the SEM Cycles 1, 2, and 3, as applicable. Very large industrial gas users will participate in five staggered SEM cohorts over the implementation period, delivering energy savings throughout the program term.
9	Total kWh Energy Savings (First year, net)	0
10	Total MW Energy Savings (First year, net)	0
11	Total therms Energy Savings (First year, net)	0
12	HTR Customers. <sup>3</sup> Provide forecasted total number of HTR customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to HTR customers from program over all years program in effect.	N/A

<b>Table B 1: General Contract Summary – Cascade Energy, Inc.</b>								
13	Disadvantaged Community Customers. <sup>4</sup> Provide forecasted total number of DAC customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to DAC customers over all years program is in effect.	N/A						
14	Forecasted Number of Customers Served by Program Year (PY)	PY2023 – 20 PY2024 – 24 PY2025 – 24 PY2026 – 13 PY2027 - 9						
15	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable).	Entire SoCalGas service territory.						
16	Program TRC ratio [Cost Effectiveness Tool (CET) output]. <sup>5</sup>	2.23						
17	Program Administrator Cost (PAC) ratio (CET output)	2.34						
18	Program \$/kWh (TRC levelized cost, CET output)	N/A						
19	Program \$/kWh (PAC levelized cost, CET output)	N/A						
20	Program \$/MW (TRC levelized cost, CET output)	N/A						
21	Program \$/MW (PAC levelized cost, CET output)	N/A						
22	Program \$/therm (TRC levelized cost, CET output)	\$0.65						
23	Program \$/therm (PAC levelized cost, CET output)	\$0.61						
24	Budget: Forecast budget by PY for each year contract in effect.	PY2022 - \$0 PY2023 - \$1,804,276 PY2024 - \$1,378,836 PY2025 - \$2,128,045 PY2026 - \$954,270 PY2027 - \$534,573						
25	Budget: Forecast expenditures by PY for each year contract in effect.	<table border="1"> <thead> <tr> <th><u>Cost Category</u></th> <th><u>Total</u></th> </tr> </thead> <tbody> <tr> <td>Administration</td> <td>\$547,435</td> </tr> <tr> <td>Marketing</td> <td>\$266,356</td> </tr> </tbody> </table>	<u>Cost Category</u>	<u>Total</u>	Administration	\$547,435	Marketing	\$266,356
<u>Cost Category</u>	<u>Total</u>							
Administration	\$547,435							
Marketing	\$266,356							

<b>Table B 1: General Contract Summary – Cascade Energy, Inc.</b>		
		Direct Implementation - Non-Incentive \$4,527,999  Direct Implementation – Incentive \$1,458,210
26	Budget: Total Program Budget (include explanation for difference, if any, from total contract budget provided in Table A).	\$6,800,000
27	Budget: If EE/Demand Response component to the program, provide dollar amount and percent of total budget dedicated to EE/DR component.	N/A
28	Measure(s)	Whole Facility operations and maintenance improvements: (SEM-Operational/Maintenance Savings)
29	Savings Determination Type (i.e., custom, deemed, Net Metered Energy Consumption, or randomized Control Trial).	Custom, Deemed, Site-specific NMEC, and Strategic Energy Management (SEM) intervention strategies
30	Savings Calculation Method(s) (Meter-Based, Deemed, Calculated, Multiple and/or Other). If Multiple or Other, please specify.	Custom, Deemed, Site-specific NMEC, and Strategic Energy Management (SEM) intervention strategies
31	Contract start date and end date.	Contract will commence for 60 months upon Advice Letter approval.
32	Program start date and end date. If program dates aren't defined by the period the program is open for customer participation, explain, and include customer participation period.	Implementation will begin shortly after Advice Letter approval and completion of Implementation Plan.

<b>Table B 2: General Contract Summary – Cascade Energy, Inc.</b>		
1	Solicitation name	Industrial
2	Type of program: local, regional, or statewide	Local
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or downstream).	Downstream Deemed, Custom, and NMEC

<b>Table B 2: General Contract Summary – Cascade Energy, Inc.</b>		
3.1	A. Direct Install/Downstream Customer Targeting (Yes or No)	Yes
3.2	B. Customer Targeting brief description, if applicable.	I-STAR offers a suite of energy efficiency services and incentives to SoCalGas' industrial-sector food and beverage customers, tailored to their business type, size, and financial needs. It serves small, medium, large, and hard-to-reach customers across the entire SoCalGas territory with an emphasis on outlying Disadvantaged Communities (DACs). Small and Medium Industrial customers are defined as customers who use less than 50,000 therms annually. The program also includes energy management concepts, training for customers and vendors, high-quality energy engineering support, and an innovative suite of incentives and financing.
3.3	C. Midstream/Upstream Market Actors receiving incentives [i.e., manufacturers, distributors, contractors, or other (specify)].	N/A
4	Market/Sector(s)	Industrial
5	Customer Segment(s)	Industrial Food and Beverage specifically customers with NAICS codes 311, 312, and others food and beverage
6	Third-Party Implementer/Subcontractor name	Cascade Energy, Inc
7	Name of program or service	Industrial Savings, Training, Assistance, and Rebates (I-STAR)
8	Brief description of program or service (2-3 sentences).	The I-STAR program offers energy efficiency services and incentives to industrial food and beverage customers. The program offers rebates and

<b>Table B 2: General Contract Summary – Cascade Energy, Inc.</b>		
		incentives based on the customer size.
9	Total kWh Energy Savings (First year, net)	27,399
10	Total MW Energy Savings (First year, net)	N/A
11	Total therms Energy Savings (First year, net)	404,194
12	HTR Customers. <sup>6</sup> Provide forecasted total number of HTR customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to HTR customers from program over all years program in effect.	12 – HTR customers Therms – 550 therms
13	Disadvantaged Community Customers. <sup>7</sup> Provide forecasted total number of DAC customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to DAC customers over all years program is in effect.	29 – DAC customers Therms - 700,000 therms
14	Forecasted Number of Customers Served by Program Year (PY)	PY2023 – 68 PY2024 – 33 PY2025 – 01 PY2026 – 32 PY2027 – 16
15	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable).	Entire SoCalGas service territory.
16	Program TRC ratio [Cost Effectiveness Tool (CET) output]. <sup>8</sup>	2.96
17	Program Administrator Cost (PAC) ratio (CET output)	3.74
18	Program \$/kWh (TRC levelized cost, CET output)	N/A
19	Program \$/kWh (PAC levelized cost, CET output)	N/A
20	Program \$/MW (TRC levelized cost, CET output)	N/A
21	Program \$/MW (PAC levelized cost, CET output)	N/A
22	Program \$/therm (TRC levelized cost, CET output)	\$0.34
23	Program \$/therm (PAC levelized cost, CET output)	\$0.27



<b>Table B 2: General Contract Summary – Cascade Energy, Inc.</b>												
24	Budget: Forecast budget by PY for each year contract in effect.	2022 - \$0 2023 - \$2,500,570 2024 - \$886,054 2025 - \$828,963 2026 - \$852,862 2027 - \$431,551										
25	Budget: Forecast expenditures by PY for each year contract in effect.	<table border="1"> <thead> <tr> <th><u>Cost Category</u></th> <th><u>Total</u></th> </tr> </thead> <tbody> <tr> <td>Administration</td> <td>\$341,954</td> </tr> <tr> <td>Marketing</td> <td>\$203,722</td> </tr> <tr> <td>Direct Implementation - Non-Incentive</td> <td>\$2,757,589</td> </tr> <tr> <td>Direct Implementation - Incentive</td> <td>\$2,196,734</td> </tr> </tbody> </table>	<u>Cost Category</u>	<u>Total</u>	Administration	\$341,954	Marketing	\$203,722	Direct Implementation - Non-Incentive	\$2,757,589	Direct Implementation - Incentive	\$2,196,734
<u>Cost Category</u>	<u>Total</u>											
Administration	\$341,954											
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Direct Implementation - Non-Incentive	\$2,757,589											
Direct Implementation - Incentive	\$2,196,734											
26	Budget: Total Program Budget (include explanation for difference, if any, from total contract budget provided in Table A).	\$5,500,000										
27	Budget: If EE/Demand Response component to the program, provide dollar amount and percent of total budget dedicated to EE/DR component.	N/A										
28	Measure(s)	N/A										
29	Savings Determination Type (i.e., custom, deemed, Net Metered Energy Consumption, or randomized Control Trial).	Deemed, custom, and Net Metered Energy Consumption										
30	Savings Calculation Method(s) (Meter-Based, Deemed, Calculated, Multiple and/or Other). If Multiple or Other, please specify.	N/A										
31	Contract start date and end date.	Contract will commence for 60 months upon Advice Letter approval.										
32	Program start date and end date. If program dates aren't defined by the period the program is open for customer participation, explain, and include customer participation period.	Implementation will begin shortly after Advice Letter approval and completion of Implementation Plan.										

<b>Table B 3: General Contract Summary – CLEAResult Consulting, Inc.</b>		
1	Solicitation name	Industrial Solicitation
2	Type of program: local, regional, or statewide	Local
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or	Downstream Deemed and Custom

<b>Table B 3: General Contract Summary – CLEAResult Consulting, Inc.</b>		
	downstream).	
3.1	A. Direct Install/Downstream Customer Targeting (Yes or No)	Yes
3.2	B. Customer Targeting brief description, if applicable.	The program will utilize numerous data points, including analysis of site energy usage, past participation, industry-standard practice, market trends, ownership, decision-making structure, and ability to demonstrate influence. Contractor will screen for eligible load and past participation.
3.3	C. Midstream/Upstream Market Actors receiving incentives [i.e., manufacturers, distributors, contractors, or other (specify)].	N/A
4	Market/Sector(s)	Industrial
5	Customer Segment(s)	Industrial subsegments including textile, wood, paper, mining, aerospace, machinery, asphalt, cement, minerals, metals, and plastic. The Program is not offered to refineries or food and beverage subsegments.
6	Third-Party Implementer/Subcontractor name	CLEAResult Consulting, Inc.
7	Name of program or service	Industrial Energy Partners (IEP) Program
8	Brief description of program or service (2-3 sentences).	The IEP Program will provide energy efficiency services, technical assistance, and incentives to the industrial sector within the SoCalGas service territory. The Program will service textile, wood, paper, mining, aerospace, machinery, asphalt, cement, minerals, metals, and plastic sub-segments using a downstream market approach and leveraging the Deemed and Custom savings platforms to deliver cost-effective energy savings .
9	Total kWh Energy Savings (First year, net)	N/A
10	Total MW Energy Savings (First year, net)	N/A
11	Total therms Energy Savings (First year, net)	1,851,818

<b>Table B 3: General Contract Summary – CLEAResult Consulting, Inc.</b>		
12	HTR Customers. <sup>9</sup> Provide forecasted total number of HTR customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to HTR customers from program over all years program in effect.	69 HTR Customers Therms – 459,188.76
13	Disadvantaged Community Customers. <sup>10</sup> Provide forecasted total number of DAC customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to DAC customers over all years program is in effect.	21 DAC Customers Therms - 1,487,512.87
14	Forecasted Number of Customers Served by Program Year (PY)	PY2023 – 80 PY2024 – 50 PY2025 – 55 PY2026 – 56 PY2027 – 59
15	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable).	Entire SoCalGas service territory.
16	Program TRC ratio [Cost Effectiveness Tool (CET) output]. <sup>11</sup>	2.60
17	Program Administrator Cost (PAC) ratio (CET output)	3.86
18	Program \$/kWh (TRC levelized cost, CET output)	N/A
19	Program \$/kWh (PAC levelized cost, CET output)	N/A
20	Program \$/MW (TRC levelized cost, CET output)	N/A
21	Program \$/MW (PAC levelized cost, CET output)	N/A
22	Program \$/therm (TRC levelized cost, CET output)	\$0.475
23	Program \$/therm (PAC levelized cost, CET output)	\$0.321
24	Budget: Forecast budget by PY for each year contract in effect.	2022 - \$0 2023 - \$7,246,472 2024 - \$3,870,981 2025 - \$4,267,769 2026 - \$4,321,286

Table B 3: General Contract Summary – CLEAResult Consulting, Inc.														
		2027 - \$4,921,644												
25	Budget: Forecast expenditures by PY for each year contract in effect.	<table border="0"> <thead> <tr> <th style="text-align: left;"><u>Cost Category</u></th> <th style="text-align: right;"><u>Total</u></th> </tr> </thead> <tbody> <tr> <td>Administration</td> <td style="text-align: right;">\$2,193,637</td> </tr> <tr> <td>Marketing</td> <td style="text-align: right;">\$1,503,837</td> </tr> <tr> <td>Direct Implementation</td> <td></td> </tr> <tr> <td>Non-Incentive</td> <td style="text-align: right;">\$7,625,617</td> </tr> <tr> <td>Direct Implementation – Incentive</td> <td style="text-align: right;">\$13,305,061</td> </tr> </tbody> </table>	<u>Cost Category</u>	<u>Total</u>	Administration	\$2,193,637	Marketing	\$1,503,837	Direct Implementation		Non-Incentive	\$7,625,617	Direct Implementation – Incentive	\$13,305,061
<u>Cost Category</u>	<u>Total</u>													
Administration	\$2,193,637													
Marketing	\$1,503,837													
Direct Implementation														
Non-Incentive	\$7,625,617													
Direct Implementation – Incentive	\$13,305,061													
26	Budget: Total Program Budget (include explanation for difference, if any, from total contract budget provided in Table A).	\$24,628,152												
27	Budget: If EE/Demand Response component to the program, provide dollar amount and percent of total budget dedicated to EE/DR component.	N/A												
28	Measure(s)	Heat Losses Reduction Heat Recovery, Hot Water / HVAC Heat Recovery, Process Heating High Efficiency Burner System Improvements, Thermal Oxidizer Insulation, Process Heating Insulation, Steam Steam Traps Upgrade/Replacement, Boiler Equipment Upgrade/Replacement, Process Heating Water Treatment, Hot Water / HVAC Process Boilers: Hot Water, Steam, Feedwater, Condensing Pipe Insulation, Outdoor, Hot Water & Steam Pipe Insulation, Indoor, Hot Water & Steam Fitting Insulation, Outdoor, Hot Water & Steam 1” Tank Insulation – Indoor/Outdoor: Medium Temp/High Usage High Temp/High Usage Medium Temp/Low Usage High Temp/Low Usage 2” Tank Insulation – Indoor/Outdoor: Medium Temp/High Usage High Temp/High Usage Upgrade/Replacement, Boiler Equip-												

<b>Table B 3: General Contract Summary – CLEAResult Consulting, Inc.</b>		
		ment Upgrade/Replacement, Process Heating Water Treatment, Hot Water / HVAC
29	Savings Determination Type (i.e., custom, deemed, Net Metered Energy Consumption, or randomized Control Trial).	Custom and Deemed
30	Savings Calculation Method(s) (Meter-Based, Deemed, Calculated, Multiple and/or Other). If Multiple or Other, please specify.	Custom and Deemed
31	Contract start date and end date.	Contract will commence for 60 months upon Advice Letter approval.
32	Program start date and end date. If program dates aren't defined by the period the program is open for customer participation, explain, and include customer participation period.	Implementation will begin shortly after Advice Letter approval and completion of Implementation Plan.

<b>Table B 4: General Contract Summary – Willdan Energy Solutions</b>		
1	Solicitation name	Industrial
2	Type of program: local, regional, or statewide	Local
3	Delivery Type – specify the delivery type (i.e., direct install, upstream, midstream, or downstream).	Downstream
3.1	A. Direct Install/Downstream Customer Targeting (Yes or No)	Yes
3.2	B. Customer Targeting brief description, if applicable.	RGEEP will market to all eligible SoCalGas refinery customers incentives for custom projects. Projects will include retrofits or custom measures tied to installation milestones and a post-installation measurement and verification of delivered energy savings. The program will offer incentives based on verified meter-based savings. The program will also include energy management and energy conservation support to

<b>Table B 4: General Contract Summary – Willdan Energy Solutions</b>		
		provide long term energy savings.
3.3	C. Midstream/Upstream Market Actors receiving incentives [i.e., manufacturers, distributors, contractors, or other (specify)].	N/A
4	Market/Sector(s)	Industrial
5	Customer Segment(s)	Refineries
6	Third-Party Implementer/Subcontractor name	Willdan Energy Solutions
7	Name of program or service	RGEEP
8	Brief description of program or service (2-3 sentences).	The Refinery Gas Energy Efficiency Program will conduct audits at several refineries to identify potential energy efficiency solutions. The program will offer rebates and incentives to refinery facilities.
9	Total kWh Energy Savings (First year, net)	N/A
10	Total MW Energy Savings (First year, net)	N/A
11	Total therms Energy Savings (First year, net)	0
12	HTR Customers. <sup>12</sup> Provide forecasted total number of HTR customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to HTR customers from program over all years program in effect.	N/A
13	Disadvantaged Community Customers. <sup>13</sup> Provide forecasted total number of DAC customer accounts (by customer segment) receiving program and total savings (net first year kWh, kW, and therms) to DAC customers over all years program is in effect.	N/A
14	Forecasted Number of Customers Served by Program Year (PY)	PY2023 – 4 PY2024 – 5 PY2025 – 5 PY2026 – 5 PY2027 – 5
15	Area(s) Served (including service territory, climate zones, cities, and/or counties, as applicable).	Entire SoCalGas service territory.

<b>Table B 4: General Contract Summary – Willdan Energy Solutions</b>												
16	Program TRC ratio [Cost Effectiveness Tool (CET) output]. <sup>14</sup>	1.51										
17	Program Administrator Cost (PAC) ratio (CET output)	1.53										
18	Program \$/kWh (TRC levelized cost, CET output)	N/A										
19	Program \$/kWh (PAC levelized cost, CET output)	N/A										
20	Program \$/MW (TRC levelized cost, CET output)	N/A										
21	Program \$/MW (PAC levelized cost, CET output)	N/A										
22	Program \$/therm (TRC levelized cost, CET output)	\$0.98										
23	Program \$/therm (PAC levelized cost, CET output)	\$0.97										
24	Budget: Forecast budget by PY for each year contract in effect.	2022 - \$0 2023 - \$3,041,700 2024 - \$4,810,654 2025 - \$5,765,330 2026 - \$5,891,451 2027 - \$3,490,865										
25	Budget: Forecast expenditures by PY for each year contract in effect.	<table border="1"> <thead> <tr> <th><u>Cost Category</u></th> <th><u>Total</u></th> </tr> </thead> <tbody> <tr> <td>Administration</td> <td>\$2,086,000</td> </tr> <tr> <td>Marketing</td> <td>\$336,425</td> </tr> <tr> <td>Direct Implementation -- Non-Incentive</td> <td>\$12,157,575</td> </tr> <tr> <td>Direct Implementation – Incentive</td> <td>\$830,000</td> </tr> </tbody> </table>	<u>Cost Category</u>	<u>Total</u>	Administration	\$2,086,000	Marketing	\$336,425	Direct Implementation -- Non-Incentive	\$12,157,575	Direct Implementation – Incentive	\$830,000
<u>Cost Category</u>	<u>Total</u>											
Administration	\$2,086,000											
Marketing	\$336,425											
Direct Implementation -- Non-Incentive	\$12,157,575											
Direct Implementation – Incentive	\$830,000											
26	Budget: Total Program Budget (include explanation for difference, if any, from total contract budget provided in Table A).	\$23,000,000										
27	Budget: If EE/Demand Response component to the program, provide dollar amount and percent of total budget dedicated to EE/DR component.	N/A										
28	Measure(s)	N/A										

<b>Table B 4: General Contract Summary – Willdan Energy Solutions</b>		
29	Savings Determination Type (i.e., custom, deemed, Net Metered Energy Consumption, or randomized Control Trial).	Deemed, Calculated
30	Savings Calculation Method(s) (Meter-Based, Deemed, Calculated, Multiple and/or Other). If Multiple or Other, please specify.	Meter-based
31	Contract start date and end date.	Contract will commence for 60 months upon Advice Letter approval.
32	Program start date and end date. If program dates aren't defined by the period the program is open for customer participation, explain, and include customer participation period.	Implementation will begin shortly after Advice Letter approval and completion of Implementation Plan.

## Notes:

4. HTR Customers: Specific criteria were developed by staff to be used in classifying a customer as HTR. Two criteria are considered sufficient if one of the criteria met is the geographic criteria defined below. There are common as well as separate criteria when defining HTR for residential versus small business customers. The barriers common to both include:
  - Those customers who do not have easy access to program information or generally do not participate in EE programs due to a combination of language, business size, geographic, and lease (split incentive) barriers. These barriers to consider include:
    - Language – Primary language spoken is other than English; and/or
    - Geographic – Businesses or homes in areas other than the United States Office of Management and Budget Combined Statistical Areas of the San Francisco Bay Area, the Greater Los Angeles Area, and the Greater Sacramento Area or the Office of Management and Budget metropolitan statistical areas of San Diego County.
  - For small business added criteria to the above to consider:
    - Business Size – Less than 10 employees and/or classified as Very Small (Customers whose annual electric demand is less than 20kW, or whose annual gas consumption is less than 10,000 therms, or both); and/or
    - Leased or Rented Facilities – Investments in improvements to a facility rented or leased by a participating business customer.
  - For residential added criteria to the above to consider:
    - Income – Those customers who qualify for the California Alternative Rates for Energy (CARE) or the Family Electric Rate Assistance Program (FERA); and/or
    - Housing Type – Multi-family and Mobile Home Tenants (rent and lease).
5. DAC Customers: DACs are located in the most environmentally burdened California census tracts, as determined by the top 25 percent highest scores when using California Environmental protection Agency's (CalEPA's) CalEnviroScreen tool. DACs are the communities that suffer a disproportionate impact from one or more environmental hazards and are likely to experience disparate implementation of environmental regulations and socioeconomic investments in their communities.
6. TRC is for the implementer only. The TRC filed in The California Energy Data and



Reporting System will include SoCalGas' administrative cost.

## **Solicitation Process Overview**

The Industrial solicitation was conducted in a two-stage process in accordance with D.18-01-004. The two-stage solicitation comprised a Request for Abstract (RFA) stage and a Request for Proposal (RFP) stage, with oversight from the Energy Efficiency Procurement Review Group (EE PRG) and IE. The IE for this solicitation was Don Arambula Consulting. Further details of the solicitation process are explained below.

### **1. IOU Solicitation Process**

#### **1.a) Solicitation Timeline**

##### *Stage One – Requests for Abstracts*

The first stage began with an RFA, which was open to all interested parties. Potential bidders were notified of the release of the Stage One RFA through a SoCalGas posting to the Proposal Evaluation and Proposal Management Application (PEPMA) website on February 17, 2021. PEPMA is a public website, administered by the California IOUs, under the auspices of the Commission. The PEPMA notice directed bidders to access the SoCalGas sourcing platform, PowerAdvocate, to download the RFA documents and receive additional information regarding the solicitation. Respondents were required to utilize the provided abstract template to respond to the solicitation. Bidders had 35 days to develop RFA documents, which were required to be submitted to PowerAdvocate on April 23, 2021. Abstracts were evaluated by SoCalGas, with oversight by the IE, and presented to the EE PRG. SoCalGas' evaluation of the abstracts, in consultation with the EE PRG, determined which Bidders were selected to continue to Stage Two. Bidders selected to move to the next stage were notified on June 8, 2021.

The RFA was intentionally designed to be less burdensome for Bidders and aimed to foster a marketplace for innovative ideas. However, Bidders were advised to carefully adhere to the RFA's guidelines and seek to present information regarding themselves and their proposed program designs, implementation approaches, and management of the proposed program that were clear and convincing, and included sufficient detail to enable SoCalGas to assess whether the program was likely to be successful in implementation.

The RFA included exhibits and attachments that, if required, must have been responded to by the Bidder and returned with the Bidder's submittal. Exhibits provided necessary supplemental information to the Bidder. Attachments were submitted by the Bidder as a response to the RFA. Additionally, several required and mandatory fields needed to be completed by the Bidder in PowerAdvocate. All required fields and schedules were identified in the RFA Checklist section of the RFA.

Determination of which Bidders would move to Stage Two was based on the evaluation criteria including the Bidder's proposed program design, implementation approach, and demonstrated ability to implement a successful program.

### *Stage Two – Requests for Proposals*

Based on abstracts submitted in Stage One, SoCalGas selected four respondents to move to the RFP stage. The Stage Two RFP release was issued through PowerAdvocate on July 16, 2021. Bidder submissions were due through PowerAdvocate on August 27, 2021.

The RFP requested Bidders to provide more details about their proposed abstracts, including Cost Effectiveness Tool (CET) runs, and other documents to assist SoCalGas in making its selection. The Bidders' Stage Two proposals were required not to offer a program that was materially different than the program described in the Bidders' Stage One abstracts. Failure to comply with this requirement would have resulted in immediate rejection and disqualification of the Bidder's Stage Two proposal.

After scoring the proposals, with oversight by the IE, and presenting to the EE PRG, SoCalGas notified the selected shortlist of Bidders on December 14, 2021. Negotiation of contracts followed starting in February 2022, with execution of the contract requiring Advice Letter approval occurring on October 29, 2021.

### **1.b) Communications With Respondents**

SoCalGas managed all solicitation activity through PowerAdvocate. All interested Bidders were required to register in PowerAdvocate to access the respective RFA and RFP documents, submit questions to SoCalGas, and ultimately submit their abstracts and proposals. SoCalGas hosted optional Bidder conferences for both the RFA and RFP stages. Any communication with respondents outside the Optional Bidder Conference, until negotiation with the selected Bidder, was required to be sent in the messaging tab via PowerAdvocate. No questions from respondents were to be directed to any SoCalGas employees and any direct contact with any SoCalGas employees regarding the Industrial solicitation may have resulted in disqualification.

In addition to the formal bidding process through PowerAdvocate, SoCalGas also conducted optional Bidder conferences to explain the process and answer potential Bidder inquiries. During the RFA stage, a pre-bid conference was held on March 24, 2021. During the RFP stage, a pre-bid conference was held on July 21, 2021.

In the RFA stage, SoCalGas held one round of questions and answers (Q&A), and in the RFP stage, SoCalGas held two rounds of Q&A, allowing respondents to ask questions about the specific solicitation.

Over the course of the Industrial solicitation, SoCalGas received a total of 39 questions (23 questions in the RFA Q&A round and 16 questions in the RFP Q&A rounds) from

the bidding community on an array of topics. In the RFA stage, overarching themes included clarification of, scope of work, budget, and pricing structure, , target segments customer eligibility, Diverse Business Enterprises (DBE), energy savings and SoCalGas' Support Services . In the RFP stage, overarching themes included fuel substitution and gas savings, Strategic Energy Management (SEM) Measurement & Verification (M&V) guidance, adoption of SB 1131 and total system benefits (TBS) metrics.

### **1.c) Independent Evaluator Participation**

The Industrial IE, Don Arambula Consulting (DAC), participated in the preparation and review of the RFA and RFP Packages. The IE reviewed all Bidder communication prior to SoCalGas issuance, including Bidder shortlisted communications, Bidder webinar notifications, Q&A responses, and finalist notifications. Following RFA and RFP release, the IE reviewed the respective optional Bidder conference presentation materials and attended the optional Bidder conferences. The IE also reviewed the composition of the scoring team prior to the commencement of the evaluation period. Once Bidder submittals were received, the IE conducted independent scoring of all Bidder abstracts and proposals and participated in the calibration and shortlist meetings. The IE also monitored the entire contract negotiation process.

The RFA and RFP scoring processes consisted of the following key steps with IE oversight:

- A. Pre-screening:
  - RFA and RFP: After the bids were due, SoCalGas Supply Management conducted a Threshold Assessment to see if all required documents were submitted on-time. SoCalGas provided the results of the threshold review to the assigned IE for IE's agreement/feedback.
  - RFP: An RFA/RFP consistency review was conducted by SoCalGas to confirm whether the proposal was significantly different from the abstract, based on the criteria identified in the RFP. At the end of the evaluation period, the assessment was presented for further discussion with the IE.
- B. Scoring Training: SoCalGas conducted scoring team training to help inform the scoring team about the scoring process and answer any immediate questions. The IE reviewed the training materials and guidance document; and observed the scoring training meeting.
- C. Individual Scoring: SoCalGas distributed the RFA and RFP bid submissions that passed pre-screening to the scoring team and IE, with a due date/time. The IE conducted "shadow scoring" to better understand the way the scoring team was conducting its scoring and to help ensure the results were fair. IE scores were not part of SoCalGas' official scores.
- D. Calibration Meeting: The meeting was held after individual scoring was completed. IEs also participated in calibration meetings and offered observations.

- E. Shortlists Meetings: The SoCalGas scoring team, including SoCalGas management and IE, met to discuss the results of the bids and recommendations.
- F. Contract Negotiations: The IE oversaw the entire negotiation process and was included on all e-mail communications and invited to observe all meetings between SoCalGas and contractors.

The following section summarizes IE recommendations and input. The full redacted IE report is provided in Attachment A.

***RFA/RFP Development:***

- In total, SoCalGas responded to 41 IE Comments and 3 PRG Comments relating to the Industrial RFA. SoCalGas accepted all recommendations presented by the IE and accepted all comments from PRG members. The PRG checklist was complete and all PRG recommendations accepted.
- The IE made recommendations on various iterations of the draft RFA. The comments addressed various topics with an emphasis on refining the bidder questions and to better align the draft RFA with the PRG's RFA Guidelines. IE noted that the RFA is much more streamlined with few bidder questions/tables and in easier to use formats. In total, SoCalGas responded to 21 IE Comments/recommendations relating to the industrial RFP. SoCalGas accepted all recommendations presented.
- Key comments addressed included: SBE participation, cost-effective policy updates per D.21-05-031, clarity regarding bidder questions, adoption of specific PRG recommendations as presented in the PRG's RFP Guidelines, such as confidentiality requirements, disadvantaged worker opportunities, risk management, and HTR/DAC.
- SoCalGas accepted all items on the PRG Checklist (119 recommendations) with one exception. SCG does not provide a standard contract as part of its RFP though SCG does include all proposed terms and conditions.
- SoCalGas collaborated with DAC and to refine the scoring guidelines to improve the scorecard instructions for various questions
- IE reported no significant issues identified in the program solicitation.

***RFA/RFP Shortlist Process:***

- Scoring process was transparent, fair, and unbiased.
- At the RFA stage, SoCalGas selected 4 of 5 proposals to proceed to the Industrial RFP. The IE supported this approach.
  - The IE shadow scores were mostly in alignment with the IOU scores, except for IOU ranked Cascade's SEM slightly higher than CLEAResult.
- At the RFP stage, the IE scores resulted in the same ranking as SoCalGas. The four proposal evaluations resulted in a very tight cluster of scores. Not all bidders proposed to target all segments, customer groups, and regions.
- The IE recommended that SCG determine how it will allocate the industrial

sector across these proposals before inviting bidders to contract negotiations. This will allow bidders an opportunity to decide whether to continue with contract negotiations with a reduced scope. •

- To support the IOU's approach, the IE recommends SCG should hold bidder interviews to gauge the bidder's capability to serve discrete segment groups to inform the allocation of the market. This option is presented in the RFP.
- The IE believes the IOU should take advantage of proposals currently being offered through other IOU local programs to the same shared customer group. For example, Cascade and Willdan are currently operating the same programs for PG&E and SCE, respectively. This is an opportunity for greater efficiency in program delivery by the implementers. Also, CLEAResult has partnered with Franklin Energy to deliver to the SMB customer within the industrial sector. Franklin is currently offering a similar program in the commercial sector to SCG's SMB customers located in San Bernardino and Riverside Counties. Such potential cost savings should be addressed in negotiations.

***Contract Negotiations:***

- SoCalGas concluded contract negotiations with Oracle in August 2021 on the Res Beh Program Contract. SoCalGas responded to 22 IE comments with a majority being accepted. Key negotiation topics included:
  - Collaboration on Final Program Design & Scope: SoCalGas collaborated with Oracle on the final program design in terms of reconfiguring the program to meet its achievements with only a portion of the existing waves.
  - Terms & Conditions: Oracle requested extensive changes to SoCalGas' Terms & Conditions. SoCalGas agreed to a number of modifications to address these concerns but did not modify the Excusable Delays (force majeure) clause or the warranties that allow SoCalGas the option to replace Oracle with a third party at Oracle's expense.
- The IE provided the following recommendations:
  - Contract Template: SoCalGas should conduct a detailed review and modification of the template to modify for non-traditional programs prior to the Outreach contracting process (which is similarly non-traditional) to facilitate a smoother process.
  - Risk Shifting to Bidders: The IE recommends again, that SoCalGas adjust the language in Excusable Delays in all future contracts. The IE recommends that SoCalGas consider all major areas of Oracle concerns to revise its contract for all future bids to better balance the risk.
  - Contract Negotiations Timeline: The IE recommends that SoCalGas legal team be more actively involved in contract negotiation from the beginning.
  - Consistency Among Bidders: The IE recommends that SoCalGas consider all aspects of a contract (price and offering, bidder risk

profile, bidder characteristics) when negotiating rather than ensuring the contract terms and conditions are the same among bidders.

### **Marketing and Outreach**

To increase public and potential Bidder awareness of the Industrial solicitation process, SoCalGas posted a notification to the California Energy Efficiency Coordinating Committee (CAEECC) website and hosted a webinar on August 29, 2018, in preparation for the Rolling Portfolio Program solicitations. The webinar included information regarding RFAs. SoCalGas also posted a notice on the CAEECC website and conducted a Bidders' conference with potential Bidders on December 5, 2018, at SoCalGas' Energy Resource Center in Downey, California. SoCalGas posted the RFA release notification on the CAEECC website on July 1, 2020, and the RFP release notification on January 18, 2021.

Furthermore, SoCalGas announced the RFA event on the PEPMA website, which is administered by California's four IOUs, under the auspices of the CPUC. The PEPMA announcement directed the Bidders to PowerAdvocate: SoCalGas' sourcing platform. Overall, the solicitation outreach was adequate, as it generated more than 84 registered bidders on SoCalGas' procurement website (i.e., PowerAdvocate) interested in the initial RFA.

### **2. Solicitation Event Schedule**

The event schedule for the solicitation is presented in Table C.

<b>Table C: Solicitation Event Schedule</b>		
<b>Activities</b>		<b>Date</b>
<b>Stage 1 RFA Events</b>		
1	RFA issued	3/19/2021
2	Pre-Bid Conference (optional)	3/24/2021
3	Bidder's deadline to submit written questions	3/31/2021
4	IOU response due to bidder questions	4/7/2021
5	Bidder's abstract submission due	4/23//2010
6	Shortlist notification	6/8/2021
<b>Stage 2 RFP Events</b>		
1	RFP issued	7/16/2021
2	Pre-Bid Conference (optional)	7/21/2021
3	Bidder's deadline to submit questions to IOU (two rounds)	7/17/2021, 8/5/2021
4	Bidder's deadline to submit CET to IOU for preliminary review (optional)	N/A
5	IOU responses due to bidder questions (two rounds)	8/2/20201, 8/10/2021
6	IOU responses due to preliminary CET review	N/A
7	Bidder's proposal submission due	8/27/2021
8	Bidder interviews conducted by IOU	N/A
9	Bidder shortlist notification	12/14/2021
10	Contract negotiations and execution	2/4/2022- 10/29/2022
11	Tier 2 Advice Letter submission	03/27/2023

### **3. Independent Evaluator (IE)**

As required by D.18-01-004, SoCalGas selected an IE for oversight and consultation throughout the process. The IE for the Industrial solicitation was Don Arambula Consulting (DAC).

A full description of the IE's involvement, recommendations, and input is provided in Section 1 - IOU Solicitation Process, above. Please see Appendix A in Attachment A for the full IE Report.

The IE presented findings to the EE PRG on:

- Final RFA Package – 3/2/2021
- RFA Evaluation Results and Shortlist Recommendations – 6/1/2021
- Final RFP Package – 7/2/21

- RFP Evaluation Results and Shortlist Recommendations – 10/5/21
- Contract Update report-outs – 1/4/22, 2/1/22, 3/1/22, 4/5/22, 5/3/22, 6/7/22, 7/5/22, 8/2/22, 9/6/22, 10/4/22 and 11/1/22.

### **Transition Plan from Pre-Existing Program to New Program**

The i2iSEM program will replace the Industrial SEM (SCG3714) program. The current Core SEM program will stop recruitment of participants for new cohorts. The program shut-down activities will finalize when the current cohorts complete the third and final cycle according to the statewide SEM Design Guide. The remainder: iSTAR, IEP and RGEEP will replace the Calculated Incentives - Industrial sector (SCG 3715) and the Small Industrial Facility Upgrade (SIFU) (SCG3757) programs. The Industrial program's "Effective Date" will be the date the CPUC issues its disposition notice for this Tier 2 Advice Letter. To prevent a lapse in service/coverage, the current programs will coordinate with new industrial program implementers and are planned to stop taking new applications as the new industrial programs ramp up, scheduled for mid-2023. The current Calculated Incentives Industrial Sector Program shut down activities will finalize when the current pipeline of pending projects is completed or time out; including all services that must be completed, all projects and measures installed, all incentives paid, along with the issuance of a Final Program Report.

### **Confidentiality**

Due to the confidential nature of the information in Appendices A-E of Attachment A, a declaration requesting confidential treatment is included. The unredacted version of Appendices A-E of Attachment A is only being provided to Energy Division under the confidentiality provisions of General Order (GO) 66-D, Section 583 of the Public Utilities Code, and D.17-09-023.

All information marked for redaction is subject to non-disclosure agreements, confidentiality agreements, and/or other confidentiality restrictions. Such information includes:

- Vendor bid and pricing information (including rates and invoices)
- Customer and/or vendor proprietary information

Please see attached declaration of confidentiality in support of these designations.

### **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 April 16, 2023. The address for mailing or delivering a protest to the Commission is:



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](mailto:EDTariffUnit@cpuc.ca.gov)). Due to the COVID-19 pandemic, SoCalGas is currently unable to receive protests or comments to this Advice Letter via U.S. mail or fax. Please submit protests or comments to this Advice Letter via e-mail to the addresses shown below on the same date it is mailed or e-mailed to the Commission.

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

### **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. Therefore, SoCalGas respectfully requests that this submittal be approved on April 26, 2023, 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 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](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



**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. 6113**

**SoCalGas Request for Confidentiality  
of its Energy Efficiency Industrial Third-Party Solicitation Advice Letter**

**Confidential and Protected Materials Pursuant to  
General Order (GO) 66-D, Section 583 of the Public Utilities  
Code, and D.21-09-020**

**BEFORE THE PUBLIC UTILITIES  
COMMISSION OF THE STATE OF CALIFORNIA**

**DECLARATION OF PRISCILLA R. HAMILTON  
REGARDING CONFIDENTIALITY OF CERTAIN DATA/DOCUMENTS  
PURSUANT TO D.21-09-020 and D.23-02-002**

I, Priscilla R. Hamilton, do declare as follows:

1. I am Priscilla R. Hamilton, Customer Programs Regulatory Support Manager in the Customer Programs and Assistance Department of Southern California Gas Company (“SoCalGas”). I was delegated authority to sign this declaration by Donny Widjaja, in his role as Vice President of Customer Solutions at SoCalGas. I have reviewed the confidential information included within SoCalGas’ Energy Efficiency Solicitations SharePoint regarding the *CONFIDENTIAL Energy Efficiency Industrial Program Third-Party Solicitation Advice Letter* submitted concurrently with this Declaration. I am personally familiar with the facts in this Declaration and, if called upon to testify, I could and would testify to the following based upon my personal knowledge and/or information and belief.

2. I hereby provide this Declaration in accordance with Decision (“D.”) 17-09-023 and General Order (“GO”) 66-D to demonstrate that the confidential information (“Protected Information”) provided in the Response is within the scope of data protected as confidential under applicable law.

3. In accordance with the narrative justification described in Attachment A, the Protected Information should be protected from public disclosure.

I declare under penalty of perjury under the laws of the State of California that the foregoing is true and correct to the best of my knowledge.

Executed this 13th day of March 2023, at Los Angeles.



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Priscilla R. Hamilton  
Customer Programs Regulatory Support Manager

# ATTACHMENT A

## SoCalGas Request for Confidentiality of its Energy Efficiency Industrial Third-Party Solicitation Advice Letter

Location of Protected Information	Legal Citations	Narrative Justification
<p>All information marked for redaction in the documents provided to SoCalGas by bidders are subject to non-disclosure agreements, confidentiality agreements, and/or other confidentiality restrictions. Such information includes:</p> <ul style="list-style-type: none"> <li>• Vendor bid and pricing information (including rates and invoices)</li> <li>• Vendor proprietary information</li> <li>• Information submitted in connection with a Request For Abstract or Request For Proposal with expectations of confidentiality on the part of the bidders.</li> <li>• Negotiated draft contract resulting from the solicitation process.</li> </ul>	<p>CPRA Exemption, Gov't Code § 6254(k) ("Records, the disclosure of which is exempted or prohibited pursuant to federal or state law")</p> <ul style="list-style-type: none"> <li>• See, e.g., D.18-01-004, 2018 WL 555610 (2018) (allowing for confidential treatment of bid information submitted in the Energy Efficiency Solicitation process);</li> <li>• SCC Acquisitions, Inc. v. Superior Court, 243 Cal. App. 4th 741, 756 (2015) (corporations have right to privacy over their financial information);</li> <li>• See, e.g., D.20-03-021, 2020 WL 1807503 (2020) (allowing for confidential treatment of applicants' agreements and financial information);</li> <li>• See, e.g., D.20-02-054, 2020 WL 1667279 (2020) (agreeing that non-public proprietary financial information should remain confidential);</li> <li>• 15 U.S.C. § 1, et. seq. prohibits price fixing between competitors;</li> <li>• Section 5 of the Federal Trade Commission Act prohibits "unfair methods of competition" and has been applied to a broad range of pricing and contracting practices;</li> <li>• See, e.g., D.20-12-021, 2020 WL 7862639(2020) (agreeing that risk of exposure of proprietary information should outweigh public interest in disclosure of information).</li> </ul> <p>CPRA Exemption, Gov't Code § 6255(a)</p>	<p>Based on input received by bidders, and based on SoCalGas' concurring position, the produced documents are proprietary, and represent and contain proprietary, commercially sensitive, and other content not intended for public disclosure. This information includes budgets, compensation, program design, and personnel profiles.</p> <p>All bidders engage in work product that is intended only for access by designated members. Public disclosure would pose potential negative impacts to bidder and the bidding process. Failure to protect the bidder's investment of time and resources during the solicitation process could result in loss of competitive advantage, and result in less competition in the marketplace, which may lead to higher program prices or less innovative program elements. The public's interest is best served when energy-efficiency programs deliver the largest amount of savings in the most cost-effective manner. Bidders invest knowledge and time, and determine an acceptable level of risk and compensation, to deliver increasingly energy-efficient programs. Public disclosure of proprietary methods before contracts are executed would discourage investment into the solicitation process and result in less participation in the process, less competition and higher prices. Thus, the public's interest is better served by not disclosing the information as opposed to disclosing the information.</p>

	(Balancing Test)	The contract is provided confidentially in its entirety per the advice letter template provided by Energy Division.
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