BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

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Order Instituting Rulemaking to Examine the Commission's Energy Efficiency Risk/Reward Incentive Mechanism.	Rulemaking 09-01-019 (Filed January 29, 2009)

JOINT PROPOSAL OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) AND SAN DIEGO GAS & ELECTRIC COMPANY (U 902 M) TO RESOLVE ISSUES IN SCOPE

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March 18, 2016

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TO RESOLVE ISSUES IN SCOPE

Southern California Gas Company ("SoCalGas") and San Diego Gas & Electric Company ("SDG&E") (together, the "Joint Utilities") respectfully submit their Joint Proposal to Resolve Issues in Scope pursuant to Rule 7.3(a) of the Commission's Rules of Practice and Procedure and the Assigned Commissioner and Administrative Law Judge's Amended Scoping Memo and Ruling dated January 22, 2016 ("Scoping Memo") in the above-entitled proceeding ("OIR").

I.

INTRODUCTION AND BACKGROUND

On December 11, 2015, the Commission conducted a Prehearing Conference ("PHC") in the above captioned proceeding in order to develop a procedural plan and schedule for resolving issues in the rehearing of previous Commission decisions awarding incentives to energy utilities derived from their successful implementation of their Energy Efficiency ("EE") programs conducted in Program Years 2006, 2007 and 2008. On January 22, Assigned Commissioner Peterman and ALJ Dudney issued their Amended Scoping Memo and Ruling ("Scoping Memo" or "Ruling") dividing the scope of this proceeding into three separate but interrelated areas of inquiry set out verbatim below. The Scoping Memo requested responses to questions posed in each area of inquiry by February 19, 2016, since amended to March 18, 2016. The Commission encouraged Parties to present recommendations as to a total incentive amount the Commission could consider if it was to change the awards previously granted and collected in rates.

The Joint Utilities would like to note that the Commission has previously acknowledged its significant concern with the original 2006-2008 RRIM. The Commission addressed those concerns by adopting changes to the RRIM to ensure it would continue to support the Commission's goals. In D.10-12-049, the Commission found it necessary to reduce the shared savings rate from 9-12% down to 7%, to account for these issues and to make the IOU risk more reasonable.[1] This adopted shared savings rate of 7% is a reduction of 5% in the earnings of both SoCalGas and SDG&E.[2]

The incentive payments at issue are in no way unfamiliar. These awards are similar to the incentive payments received by the Joint Utilities in recent years under the new incentive mechanism, and are comparable to the average earnings around the country. Thus, the Joint Utilities submit again, as they have submitted in prior filings submitted with the Commission, that there is no legal or factual basis to overturn prior Commission EE earnings decisions. Moreover, further factual inquiry as requested in the Ruling is unwarranted.

[1] D.10-12-049, at 45.

[2] After adjusting for SDG&E's electric and therm goals, without changing the savings results, SDG&E's MPS performance merits a 12% earnings rate. See discussion in II response to Q1 sections A and B below on these goal adjustments.

II.

JOINT RESPONSE TO THE SCOPING MEMO'S THREE AREAS OF INQUIRY

1. Did the Energy Division's "2006-2008 Energy Efficiency Evaluation Report" or a scenario in the "2006-2008 Energy Division Scenario Analysis Report" correctly implement the relevant directives of the Commission? Are there additional relevant documents in which Energy Division has verified calculations that implement these directives?

Response: The Joint Utilities submit that the Energy Division's 2006-2008 Energy Efficiency Evaluation Report ("Scenario Report") did not correctly implement the relevant directives of the Commission for reasons set forth in pleadings and papers filed with the Commission in the course of this proceeding.[3]

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[3] To avoid unnecessarily burdening their current filing, the Joint Utilities hereby incorporate by reference the entirety of the following documents in the record of this proceeding. *See* Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison Company and Southern California Gas Company Comments on the Proposed Draft Decision of ALJ Gamson Denying Petition for Modification, Nov. 24, 2008, R.06-04-010; Pacific Gas & Electric Company, San Diego Gas & Electric Company, Southern California Edison Company and Southern California Gas Company Comments on the Alternate Proposed Draft Decision of Commissioner Peevey Granting in Part and Denying in Part the Petition for Modification, Nov. 24, 2008, R.06-04-010; Comments of San Diego Gas & Electric Company and Southern California Gas Company on Proposed Decision of ALJ Gamson and Alternate Proposed Decision of Commissioner Peevey on the Petition for Modification of D.07-09-043 and D.08-01-042, Dec. 1, 2008, R. 06-04-010; San Diego Gas & Electric Company and Southern California Gas Company Comments on Proposed Decision of ALJ Pulsifier and Proposed Alternate Decision of Commissioner Bohn Regarding RRIM Claims for the 2006-2008 Program Cycle, Dec. 7, 2009, R.09-01-019; San Diego Gas & Electric Company and Southern California Gas Company Reply Comments on Proposed Decision of ALJ Pulsifier and Proposed Alternate Decision of Commissioner Bohn Regarding RRIM Claims for the 2006-2008 Program Cycle, Dec. 14, 2009, R.09-01-019; Comments of San Diego Gas & Electric Company and Southern California Gas Company on ALJ Pulsifier's Proposed Decision and Commissioner Bohn's Alternate Proposed Decision, Oct. 18, 2010, R.09-01-019; Reply Comments of San Diego Gas & Electric Company and Southern California Gas Company on ALJ Pulsifier's Proposed Decision, Oct. 25, 2010, R.09-01-019; Comments of San Diego Gas & Electric and Southern California Gas Company on Commissioner Bohn's Revised Alternate Proposed Decision, Nov. 8, 2010, R.09-01-019; Reply Comments of San Diego Gas & Electric Company and Southern California Gas Company on Commissioner Bohn's Revised Alternate Proposed Decision, Nov. 15, 2010, R.09-01-019; Comments of San Diego Gas & Electric Company and Southern California Gas on Commission President Peevey's Alternate Proposed Decision Regarding the Risk/Reward Incentive Mechanism Earnings True-Up for 2006-2008, Dec. 6, 2010, R.09-01-019; Reply Comments of San Diego Gas & Electric Company and Southern California Gas on Commission President Peevey's Alternate Proposed Decision Regarding the Risk/Reward Incentive Mechanism Earnings True-Up for 2006-2008, Dec. 13, 2010, R.09-01-019; Southern California Gas Company and San Diego Gas & Electric Company's Response to ORA and TURN's Petition for Modification of D.10-12-049, Dec. 19, 2014,

Further, the Joint Utilities submit that no single Scenario set forth in the above referenced Scenario Report completely and accurately implements the directives of the Commission as to IOU earnings properly associated with IOU EE efforts. The Commission agrees with this observation. The Commission states in D.10-12-049 at pages 6-7:

> In order to be effective, an incentive mechanism for energy efficiency investments by the IOUs must provide rewards or impose penalties on the basis of factors that are reasonably within the control of the entity to which it is being applied.
>
> As described in more detail below, we find that the RRIM as adopted and implemented to date, has not reflected this fundamental criterion of an effective incentive mechanism. In particular, we find that the expectations regarding the ability of the utilities to modify their portfolios in response to changes that were ultimately found to have taken place over the three-year program cycle were unreasonable, particularly given the timing of availability of information regarding these changes, the substantial controversy surrounding their accuracy, and their magnitude. The modifications made in this decision result in an appropriate level of incentives based on what the utilities could have been reasonably expected to know and respond to during the 2006-2008 program cycle. We are of the opinion that subjecting the IOUs to penalties or substantially reduced incentives based on factors they could not reasonably be expected to anticipate or effectively respond to will do little to motivate them to aggressively pursue energy efficiency, and may undermine the interests of the people of the state of California in placing energy efficiency on a par with "steel-in-the ground" supply-side resources. By adopting this approach, we ensure the mechanism remains effective in aligning utility and ratepayer interests with respect to the resource priorities of the state.

Notwithstanding this assertion, if the Commission requires the Joint Utilities to pick one Scenario which comes closest to correctly implementing Commission directives to award EE earnings, the Joint Utilities submit that Scenario 3—Verified Net Savings (Table 13) comes closest.[4]

In D.10-12-049, the Commission relied primarily on the performance earnings basis (PEB) assumptions set forth in Scenario 3 of the Energy Division's 2006-2008 Scenario Analysis

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R.09-01-019; Prehearing Conference Statement of Southern California Gas Company and San Diego Gas & Electric, Dec. 4, 2015, R.09-01-019.

[4] Scenario 3—Verified Net Savings (Table 13) is described as follows: Verified net savings are the IOU claimed savings based on the 4th quarter 2008 tracking database, with IOU reported net to gross ratios that were not updated with evaluation field research, but the utility reported quantities are adjusted based on evaluated installation rates.

Report. Scenario 3 is the scenario that most closely implements the Commission's directives and overcomes many of the controversial issues considered by the Commission. Specifically:

- The result is not sensitive to the inclusion of interactive effects (pp. 57-58)
- The exclusion of the 2004-2005 results towards the MPS does not impact the IOUs qualifying for earnings (it only increases the earnings rate, p.53)
- Net To Gross ("NTG") ex post downward adjustments were controversial, resulting in reducing claimed savings by half. (p.37)

Thus by adopting the results of Scenario 3, the Commission avoids examining and adjudicating the factual basis of the above stated areas of controversy.

Excerpt from Table 13 Scenario 3—Net Verified Savings

	SDG&E	SoCalGas
Total Savings	1103.7	
Total Cumulative Savings (GWH)	197.6	
Total Peak Savings (MW)	12.7	85.8
Total Cumulative Natural Gas Savings (MMTh)		
MPS Individual Metric Performance		
Percent of GWH Goal	94%	
Percent of MW Goal	89%	
Percent of MMTh Goal	97%	112%
MPS Average Metric Performance	93%	112%
PEB		
TRC Net Benefits	$ 195,456,427	$ 193,173,191
PAC Net Benefits	$ 302,080,755	$ 350,522,495
PEB	$ 230,997,869	$ 245,622,958
PEB at MPS Threshold	$ 230,997,869	$ 245,622,959
Earnings/Penalty Cap	$ 50,000,000	$ 20,000,000
Earnings Rate	9%	12%
Total Earnings	$ 20,789,808	$ 20,000,000
Penalties	NO	NO
Total Penalties	No Penalty	No Penalty

However, while Scenario 3 is the most reasonable among all the scenarios put forth by Commission Staff in the Scenario Report, the Commission recognized that the elements used in calculating the earnings results were inaccurate. Additionally, the Joint Utilities have not been able to complete a thorough analysis of the all the data and detailed calculations of the various scenarios presented in the Scenario Report to identify potential errors in the analysis.[5] If the Commission chooses to use Scenario 3, it must order its Staff to correct the acknowledged errors, specifically related to SDG&E (identified below), in order to give full effect to its Decisions.[6]

As stated in prior submissions to the Commission in this proceeding, these inaccuracies can be rectified without adding further documents to the record. The Commission's staff can rerun the model for Scenario 3, modifying for the Commission recognized data input errors, and publish the results as a correction to the Scenario 3 results previously published. These errors concern the disputed values associated with the "interactive effects" of the increase of gas usage offsetting heating reductions caused by the substitution of CFLs for incandescent light bulbs and the recognized overstated EE goals set for SDG&E, as shown below.

However, if the Commission determines that it will admit to the record *any* new documents or evidence, then in order to ensure due process, the Commission must only do so *after:* (1) all parties have had the opportunity to conduct discovery on ED Staff and its consultants as to how the Scenarios were developed; (2) such discovery has been fully complied with; and (3) and parties have had a full and fair opportunity to present their recommendations based thereon.

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5 SDG&E and SoCalGas sent a data request to the ED on February 11, 2016, but the response received on February 25, 2016 was insufficient (as was ED's follow-up response to the IOUs [PG&E, SCE, SDG&E, and SoCalGas] on March 8, 2016). In light of these insufficiencies, SoCalGas and SDG&E sent a follow up data request on March 3, 2016, and only received a response on March 14, 2016. Accordingly, SoCalGas and SDG&E have not had the time to do important analysis, or even to determine whether additional follow up data requests will be needed.

6 2006-2008 Energy Division Scenario Analysis Report, July 9, 2010; D.10-12-049, Interim Decision Determining policy and Counting Issues for 2009 to 2011 Energy Efficiency Programs; D.09-05-037; D.07-10-032; D.08-07-047.

The following table depicts Scenario 3 earnings which correct for staff input errors concerning interactive effects and overstated goals as best as SDG&E can due to the lack of transparency as to how precisely, ED produced its results for Scenario 3. The table only corrects for the overstatement of SDG&E's electric goal and adjustment for the negative interactive effects to its therm goal. [7]

Savings Goals	
Total Cumulative Savings (GWH)	1034.1
Total Peak Savings (MW)	197.63
Total Cumulative Natural Gas Savings (MMTh)	10.218
Total Achieved Savings (Scenario 3)	
Total Cumulative Savings (GWH)	1103.7
Total Peak Savings (MW)	197.6
Total Cumulative Natural Gas Savings (MMTh)	12.7
MPS	
%GWH Goal	107%
% MW Goal	100%
% Therm Goal	124%
MPS Average Metric Goal	110%
Earnings Rate	12%
PEB at MPS Threshold (Scenario 3)	$ 230,997,869
Total Earnings	$ 27,719,744

A. Scenario 3 Analysis: Correction of SDG&E's Program Goals

SDG&E repeatedly raised in pleadings with the Commission that SDG&E's EE Goal for Program Years 2006-2008, set by the Commission, was unfair as the adopted savings goals that were 118% above SDG&E's actual EE savings potential to be realized; an obvious impossibility. At length, the Commission agreed with SDG&E and determined that the Energy Efficiency goal it set for SDG&E's was overstated relative to its cumulative maximum potential. Unfortunately, the Commission's agreement came when it eventually addressed the issue for the 2010-2012 Program Years, *after* the 2006-2008 program cycle. At that point the Commission chose not to

7 SDG&E received the Energy Division's complete response to Data Request No. 3 on March 14, 2016, which did not provide adequate time to fully review all the materials provided.

correct such error because there was no impact on SDG&E's 2006-2008 performance requirements and, consequently, no impact on SDG&E's EE earnings as determined by inaccurate, overstated goals.

The Commission states in D.09-09-047 (at page 35):

> In addition to the utility-wide DEER adjustment, SDG&E proposes to adjust its 2009-2013 annual electricity savings goal stream (KWh and KW goals) to correct for a long-standing anomaly. In D.07-10-032 we determined that D.04-09-060 adopted energy savings goals for SDG&E that are set at 118 percent of maximum achievable potential, substantially higher than those adopted for SCE and PG&E. In D.07-10-032, we committed to revisit SDG&E's energy savings goals, or to address the matter in the budget process. In either forum we said that SDG&E will have the burden to provide a proposal that is technically sound and does not compromise our objectives to promote an aggressive energy efficiency strategy its territory. In D.08-07-047 at 32, in our decision updating goals through 2020, we stated that we would consider this issue in this proceeding. SDG&E proposes adjusting the current goals using the ratio of maximum achievable potential of the other utilities (88%) to SDG&E's current ratio (118%). This results in a 25% adjustment, which SDG&E claims is justified as the ten-year cumulative stream of goals would still achieve over 100% of maximum achievable potential. SDG&E contends that it will face unreasonable and unfair risk of not meeting its goals without these proposed adjustments. No party contested SDG&E's proposal.

The Commission should give full effect to this Decision and order its Staff to recalculate and publish to the record SDG&E's EE earnings under Scenario 3 as corrected for the reduction of Program Goals for SDG&E's '06-'08 earnings consistent with this Decision.

In reviewing the materials provided by ED Staff in response to SDG&E's Data Request No. 3, it finds that ED Staff adjusted the 2004-2008 cumulative GWH goal downwards from 1386.8 GWH from D.04-09-060 to 1175 GWH (adjusted down by 84.7%). However, to fully align SDG&E's goals with PG&E and SCE's cumulative goal of 88% of their Maximum Cumulative Achievable Potential (2004-2013), it is necessary to adjust SDG&E's 2004-2008 cumulative goal down by 25% to 1034 GWH. This should be done similarly for SDG&E's 2004-2008 cumulative MW goal.

Year	Annual Goal (GWH)	Proposed Corrected Cumulative Goals (GWH)	D.04-09-060 Cumulative Max. Potential	Percent of Cum. Max Potential	Annual MW	Proposed Corrected Cum. Goal (MW)
2004-2008		**1034.1**	**1306**	**79%**	-	**197.63**
2009*	210.5	1244.6	1629	76%	53.6	251.23
2010	204.0	1448.6	1870	77%	52.0	303.23
2011	195.8	1644.4	2042	81%	49.9	353.13
2012	165.4	1809.8	2156	84%	42.1	395.23
2013	160.3	1970.1	2231	88%	40.8	436.03

D.09-09-047 adopted revised 2009 through 2011 electric goals for SDG&E.

2012-2013 annual goals are included to complete the 2004-2013 cumulative stream consistent with D.04-09-060.

B. Removal of Interactive Effects Values

Introduction of Interactive Effects[8] into the EM&V calculations was done during the Ex Post measurement period and had a negative impact to SDG&E's therm performance. Although the Commission eventually agreed that Interactive Effects as applied by ED in its 2006-2008 Energy Efficiency Evaluation Report was in error, it only addressed this issue for the 2010-2012 Program Years. The Commission did not apply any correction to 2006-2008 Program Year results or therm goals and therefore did not correct SDG&E's 2006-2008 performance requirements in accordance with its recognition of the values accorded to Interactive Effects in the 2006-2008 Energy Efficiency Evaluation Report.

The Commission provides in D.10-12-049 at pages 55-57:

> The Energy Division reviewed available studies and produced scenario calculations to incorporate interactive effects for both residential and commercial measures for a number of lighting and appliance measures, resulting negative therm impacts and

[8] D.09-05-037 provides an explanation of interactive effects (at pages 18-19), "For instance, inefficiency in devices and appliances is often realized as waste heat. Heat emitted from an inefficient appliance has the potential to interact with the overall heating or cooling requirements within a given space. In the winter, or in generally cool climates, the heat from inefficient lighting effectually serves to displace heating requirements that would otherwise exist. In turn, if a more efficient device replaces an inefficient one in an enclosed space, the temperature of that space will decrease all else being equal. As an example, if incandescent lamps in a home or office are replaced with more efficient lamps, such as linear fluorescents, CFLs or light-emitting diodes, less heat will be produced in the space. Depending on the season or climate, this could result in A.08-07-021 et al. either an increase in space-heating energy requirements or a reduction in space-cooling demand and energy requirements." (D.09-05-037, pages 18-19).

positive kWh demand impacts for select measures. The data underlying the Commission's currently adopted goals, however, do not reflect these assumptions regarding interactive effects. For comparison, the Scenario Analysis Report also showed the savings impacts, assuming exclusion of all interactive effects.

In D.09-05-037, we affirmed that interactive effects affect net energy savings and are, thus, appropriate for incorporation into the DEER update, stating that:

> It is of paramount importance to maintain the analytical rigor of our methodologies to count savings. Compromising the technical integrity of our counting methodologies is tantamount to compromising the reliability of energy efficiency as a resource. Given the priority energy efficiency holds in our loading order, we are duly committed to reflecting our best knowledge regarding savings in DEER. (D.09-05-037 at p. 21.)

We also recognized, however, how interactive effects can have a significant effect on assumed savings achievement, particularly for the dual-fuel utilities, PG&E and SDG&E. In D.09-05-037, we determined the adjustment that was appropriate to reduce 2009-2011 therm goals to recognize the applicable interactive effects, but we did not separately address, in that proceeding how the utilities' therm goals for the 2006-2008 cycle should be adjusted for interactive effects. Because interactive effects, particularly those experienced by dual-fuel gas and electric utilities, had not been considered in previously adopted energy efficiency goals, we found it reasonable, in D.09-05-037, to make adjustments to SDG&E and PG&E's goals for therm savings for purposes of their 2009-2011 gross savings goals. Drawing from the Energy Division Verification Report's analysis of 2006-2007 data, we thereby reduced the adopted 2009-2011 therm savings goals for PG&E by 26% and for SDG&E by 22%.

We concluded in D.09-12-045 that the issue of whether to apply the full 26% reduction to PG&E's 2006-2008 therm goals for purposes of computing 2006-2008 RRIM earnings would be addressed in this true-up.

In SDG&E's preliminary analysis, it uses the 22% reduction in therm goal adopted in D.09-05-037 to correct the SDG&E therm goal for interactive effects. This would adjust SDG&E's 2004-2008 cumulative goal from 13.1MMTh to 10.2 MMTh. This results in an increase to the MPS % therm goal achievement, thus increasing the overall MPS Average Metric Goal.

The Commission should give effect to this Decision and order its Staff to recalculate and publish to the record SDG&E's EE earnings under Scenario 3 as corrected for the reduction of the effect of Interactive Effects for SDG&E's '06-'08 earnings consistent with this Decision.

Thus, if the Commission chooses to rescind or modify one or more of its existing decisions awarding EE earnings to the IOUs, either in whole or in part, then the Joint Utilities recommend the Commission do so based on Scenario 3, but as corrected for the Commission recognized errors described above.

C. Scenario 3 and SoCalGas' Earnings

SoCalGas' performance is not impacted by the changes that SDG&E is requesting to be made to Scenario 3. Under Scenario 3, SoCalGas' demonstrated performance is at 112% of cumulative goal resulting in a capped earnings rate of 12% instead of the 9% for superior performance.

2. Are incentive payments based on the calculations in the Energy Division's "2006-2008 Energy Efficiency Evaluation Report," a scenario in the "2006-2008 Energy Division Scenario Analysis Report," or other document identified in response to Question 1, just and reasonable? If not, how and why should they be adjusted to a just and reasonable level?

Response: The Joint Utilities submit that the incentive payments to the IOUs previously ordered by the Commission in its record decisions are just and reasonable and that there is no legal or factual basis presented by the Commission to overturn prior Commission EE earnings decisions.

Indeed, the incentive awards at issue are in no way unusual. They are comparable, for example, to the incentive payments received by SoCalGas and SDG&E in 2014 and 2015 under the new incentive mechanism, awards which the Commission has found just and reasonable.[9] They are also near the average of earnings awards around the country when compared against program spending. Specifically, in 2011, ACEEE research found that incentive earnings ranged from 5-20% of program spending, and that the average shareholder

[9] *See* Attachment A.

incentive was 10-11% of program spending.[10] Commensurate with these results, SDG&E and SoCalGas's 2006-2008 Program Year earnings amounted to approximately 7.5% and 14.2 % of program spending, respectfully.[11]

2006-2008	Program Expenditures	Earnings Awarded	Percentage of Earnings to Spending
SoCalGas	$ 121,444,476	$ 17,193,607	14.2%
SDG&E	$ 215,159,487	$ 16,169,851	7.5%

As such, SoCalGas and SDG&E's earnings were near the national average, within the 5-20% range, and similar to awards that state commissions around the country have found just and reasonable. In fact, this Commission has previously found that an earnings amount near this average is an appropriate incentive amount as it is within the range of earnings offered by other states.[12] Together, it is clear that the awards at issue and ordered by the Commission were just and reasonable, and the Commission has offered no factual or legal reason to disturb that conclusion.

3. If the just and reasonable incentive payments determined in Question 2 require a refund, how should that refund be implemented?

Response: This is a prejudicial question as it presumes that only a downward adjustment of incentive payments is possible. As shown by the Joint Utilities, a change in incentive payments could result in an upward adjustment. In either event, prior decisions[13] in this proceeding make clear that any refund or penalty would be offset against future shareholder incentive earnings claims. Thus, if refunds rather than upward adjustments are ordered, this process should be required.

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10 Sara Hayes, Steven Hadel, Martin Kushler, and Dan York, *Carrots for Utilities: Providing Financial Returns for Utility Investments in Energy Efficiency* (January 2011), *available at* http://www.areadevelopment.com/article_pdf/id60859_U111.pdf.

11 Recorded expenditures can be found at http://eestats.cpuc.ca.gov/Views/Documents.aspx.

12 D.13-09-023, at 27.

13 D.07-09-043; D.08-01-042.

III.

CONCLUSION

The Joint Utilities argue that there is no legal or factual basis to overturn prior Commission EE earnings decisions and that further factual inquiry as requested in the Ruling is unwarranted. The 2006-2008 incentive awards are in no way extraordinary. These awards are comparable to the incentive payments received by the Joint Utilities under the new incentive mechanism, and are similar to the average incentive earnings around the country. However, in response to the Scoping Memo's question regarding an appropriate scenario to consider from the Scenario Report, the Joint Utilities put forth Scenario 3—Verified Net Savings (Table 13) – which comes closest to correctly implementing Commission directives to award EE earnings given the various controversies related to the EM&V results. SDG&E would argue that to appropriately determine its earnings under this scenario, SDG&E's goal must be updated and the interactive effects impacts be eliminated.

Respectfully submitted,

By: *___________/s/ Steven D. Patrick________*
Steven D. Patrick

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March 18, 2016

ATTACHMENT A

SOUTHERN CALIFORNIA GAS COMPANY
ENERGY EFFICIENCY R.13-11-005/R.12-01-005
OFFICE OF RATEPAYER ADVOCATES
(DATA REQUEST: ORA SOCALGAS REQUEST 001)
Data Requested On: February 26, 2015
Data Submitted On: March 11, 2016

QUESTION 1:

Please provide all shareholder earnings received or expected pursuant to Decision 13-09-023. For expected earnings, please use earnings claims submitted in the annual Tier 3 advice letters for incentive claims required by Decision 13-09-023 or internal earnings forecasts if an incentive claim advice letter has not yet been prepared. If an incentive claim is supported by an advice letter or Commission resolution, please provide citations to those documents. If an incentive claim is supported by an internal forecast, please provide a copy of the work papers. If an incentive claim advice letter has not yet been prepared and no internal earnings forecast exists, please leave blank.

RESPONSE 1:

	ESPI Category			
Year Earnings Received	EE Savings	Ex-Ante Review	C&S Management Fees	Non-Resource Management Fees
2014	$628,191	$784,105	$24,963	$110,342
2015	$2,909,878	$1,046,928	$68,156	$128,906
2016	N/A			

Notes:

Calendar Year (CY) 2014

- Resolution (Res.) G-3497 approved SoCalGas Advice Letter (AL) 4661, which also included an earnings payment of $4,326,851 associated with PY2012[1] (not included in the table above).

CY 2015

- Res. G-3510 approved SoCalGas AL 4826 and 4859, which constituted the total Energy Efficiency (EE) earnings claims in 2015.[2]

CY 2016

- SoCalGas will submit an Advice Letter requesting its CY 2016 energy efficiency earnings award on September 1, 2016.
- The Advice Letter will be developed based on the following information:
    - Final program year 2015 expenditure information that will be filed in SoCalGas EE Annual Report on May 2, 2016 (not yet available).

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[1] See Res. G-3497, Ordering Paragraph (OP) 5.
[2] *See* Res. G-3510, OP 4 and 11.

- Final *Ex Ante* Review performance scores from the Energy Division (not yet issued).
- Final *Ex Post* EM&V information from the Energy Division (not yet issued).

ORA DATA REQUEST
R.13-11-005
Data Request No. ORA SDG&E Request 001
Dated February 26, 2016
Submitted: **March 11, 2016**

DATA REQUEST

1. Please provide all shareholder earnings received or expected pursuant to Decision 13-09-023. For expected earnings, please use earnings claims submitted in the annual Tier 3 advice letters for incentive claims required by Decision 13-09-023 or internal earnings forecasts if an incentive claim advice letter has not yet been prepared. If an incentive claim is supported by an advice letter or Commission resolution, please provide citations to those documents. If an incentive claim is supported by an internal forecast, please provide a copy of the work papers. If an incentive claim advice letter has not yet been prepared and no internal earnings forecast exists, please leave blank.

	ESPI Category			
Year Earnings Received	EE Savings	Ex-Ante Review	C&S Management Fees	Non-Resource Management Fees
2014	$ -	$ -	$ -	$ -
2015	$ -	$ -	$ -	$ -
2016	$ -	$ -	$ -	$ -

SDG&E Response:

	ESPI Category			
Year Earnings Received	EE Savings	Ex-Ante Review	C&S Management Fees	Non-Resource Management Fees
(A) 2014	$5,094,686	Not Applicable	Not Applicable	Not Applicable
(B) 2014	$1,100,173	$1,136,601	$33,423	$180,826
(C) 2015	$2,827,212	Not Applicable	Not Applicable	Not Applicable
(D) 2015	$1,976,337	$1,419,346	$97,072	$229,072
(E) 2016	Not Available	Not Available	Not Available	Not Available

Notes:

(A) Program Year 2012, SDG&E AL 2620-E approved in Res G-3497 (12/18/2014)

(B) Program Year 2013 First Claim, SDG&E AL 2620-E approved in Res G-(12/18/2014)

(C) Program Year 2013 Second Claim, SDG&E AL 2788-E/2417-G approved in Res G-3510 (12/3/2015)

(D) Program Year 2014 First Claim, SDG&E AL 2788-E/2417-G approved in Res G-3510 (12/3/2015)

(E) SDG&E expects to file its 2014 second claim by September 1, 2016 based on the EM&V load impact results for calculated projects and uncertain measures and findings from the 2014 Utility Audit Financial Branch audit report.

SDG&E expects to files its 2015 first claim by June 30, 2016 based on the expenditures reported in the May 1, 2015 Energy Efficiency and approved DEER/Deemed measure savings.

Person Responsible For the Response: Athena Besa