

Table 1

Summary Table of Portfolio Cost-Effectiveness (2006-2008)

| Costs and Benefits* | SDG&E | SCG | SCE | PG&E | Total |
|---|------------------|----------------|------------------|------------------|------------------|
| Total costs to billpayers (TRC) | \$ 299,443,761 | \$ 225,381,390 | \$ 857,516,394 | \$ 1,341,473,455 | \$ 2,723,814,999 |
| Total savings to billpayers (TRC) | \$ 579,619,963 | \$ 318,003,849 | \$ 2,367,984,783 | \$ 2,153,115,608 | \$ 5,418,724,203 |
| Net benefits to billpayers (TRC) | \$ 346,123,712 | \$ 142,839,051 | \$ 1,510,468,390 | \$ 811,642,153 | \$ 2,811,073,306 |
| Total PAC Cost | \$ 266,000,587 | \$ 177,115,748 | \$ 661,327,990 | \$ 959,472,970 | \$ 2,063,917,295 |
| TRC Ratio | 1.94 | 1.41 | 2.76 | 1.61 | 1.99 |
| PAC Ratio | 2.18 | 1.80 | 3.58 | 2.24 | 2.63 |
| Cost per kWh saved (cents / kWh) (PAC) | 0.03443 | 0.02462 | 0.02818 | 0.03350 | 0.03018 |
| Cost per therm saved (\$ / therm) (PAC) | 0.18617 | 0.16659 | - | 0.28490 | 0.21255 |

PG&E Footnotes:

- [1] This is based on PG&E Application No. 05-06-004, June 1 filing, Appendix 9.5, ED Workbook Attachment I.
- [2] Excludes costs and benefits associated with the low-income energy efficiency programs.
Excludes savings benefits associated with Codes and Standards program activities, but the budget costs associated with C&S program are included in the overall portfolio cost effectiveness calculations.
- [3] The \$811.6 million net benefits to bill payers are corrected due to a mathematical error discovered in PG&E Application No. 05-06-004, June 1 filing, Appendix 9.5, ED Workbook Attachment I.

TABLE 2: CO2 EMISSION SAVINGS

ELECTRICITY Savings

| | SDG&E | | | SCG | | | SCE | | | PG&E | | | Statewide | | |
|---|---------|---------|---------|-------|-------|--------|---------|---------|-----------|---------|---------|-----------|-----------|-----------|-----------|
| | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 |
| Annual Net Electricity Savings (GWh/yr) | 307 | 337 | 378 | 10 | 13 | 13 | 1,002 | 1,121 | 1,168 | 876 | 996 | 1,149 | 2,195 | 2,468 | 2,708 |
| Incremental Annual CO2 Savings (tons) ¹ | 115,368 | 126,837 | 142,103 | 3,933 | 4,930 | 5,044 | 376,926 | 421,473 | 439,221 | 329,263 | 374,542 | 431,846 | 825,488 | 927,782 | 1,018,214 |
| Cumulative Annual CO2 Savings (tons/year) | 115,368 | 242,205 | 384,308 | 3,933 | 8,862 | 13,906 | 376,926 | 798,399 | 1,237,620 | 329,263 | 703,804 | 1,135,650 | 825,488 | 1,753,270 | 2,771,484 |
| Cumulative Cars taken off road each year ² | 21,922 | 46,024 | 73,027 | 747 | 1,684 | 2,642 | 71,624 | 151,713 | 235,174 | 62,567 | 133,738 | 215,798 | 156,860 | 333,159 | 526,641 |

NATURAL GAS Savings

| | SDG&E | | | SCG | | | SCE | | | PG&E | | | Statewide | | |
|---|--------|--------|--------|--------|---------|---------|------|------|------|--------|---------|---------|-----------|---------|---------|
| | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 |
| Annual Net Gas Savings (MTh/yr) | 2,775 | 3,069 | 3,693 | 15,790 | 20,621 | 24,285 | - | - | - | 15,082 | 17,027 | 19,647 | 33,648 | 40,716 | 47,625 |
| Incremental Annual CO2 Savings (tons) ¹ | 14,702 | 16,259 | 19,566 | 83,657 | 109,248 | 128,663 | 0 | 0 | 0 | 79,907 | 90,208 | 104,088 | 178,266 | 215,715 | 252,317 |
| Cumulative Annual CO2 Savings (tons/year) | 14,702 | 30,961 | 50,527 | 83,657 | 192,905 | 321,568 | 0 | 0 | 0 | 79,907 | 170,114 | 274,202 | 178,266 | 393,981 | 646,298 |
| Cumulative Cars taken off road each year ² | 2,794 | 5,883 | 9,601 | 15,897 | 36,656 | 61,105 | 0 | 0 | 0 | 15,184 | 32,325 | 52,104 | 33,874 | 74,865 | 122,810 |

TOTAL Savings

| | SDG&E | | | SCG | | | SCE | | | PG&E | | | Statewide | | |
|---|---------|---------|---------|--------|---------|---------|---------|---------|-----------|---------|---------|-----------|-----------|-----------|-----------|
| | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 | 2006 | 2007 | 2008 |
| Total Cumulative Annual CO2 Savings (tons/year) | 130,070 | 273,166 | 434,835 | 87,590 | 201,767 | 335,475 | 376,926 | 798,399 | 1,237,620 | 409,169 | 873,918 | 1,409,852 | 1,003,754 | 2,147,251 | 3,417,782 |
| Total Cumulative Cars taken off road each year ² | 24,716 | 51,907 | 82,628 | 16,644 | 38,340 | 63,747 | 71,624 | 151,713 | 235,174 | 77,751 | 166,063 | 267,902 | 190,735 | 408,023 | 649,451 |

¹ Assumptions: the electric efficiency programs avoid new natural gas baseload (combined cycle) plants with a heat rate of 7,100 Btu / kWh, consistent with the CEC's report on the cost of new California generating technologies. (Source: California Energy Commission's Staff Report, "Comparative Cost of California Central Station Electricity Generation Technologies," August 2003, http://www.energy.ca.gov/reports/2003-08-08_100-03-001.PDF). The emissions factor for natural gas, according to EIA is 14.45 million metric tons of carbon per quadrillion Btu. (Equivalent to 1445 metric tons of carbon per million therms, or 5298 metric tons of CO2 per million therms.) (Source: Energy Information Administration, "Emissions of Greenhouse Gases in the United States 1987-1992," DOE/EIA-0573 (Washington, DC, November 1994), Appendix A, pp. 73-92, www.eia.doe.gov/oiaf/1605/87-92rpt/appa.html). The corresponding electric emission rate, using this heat rate and emissions factor, is 376 metric tons CO2 / GWh.

² The calculation for this statistic is x metric tons CO2 / (0.014418 metric tons CO2/day/vehicle) / 365 days per year = # vehicles taken off the roads each year due to savings that year. This is data on average emissions of Bay Area vehicles was provided by the California Air Resources Board using Emfac2002 V2.2 Sept. 23, 2002; personal communication with Jeff Long, CARV, March 24, 2003. (Cited in D. Bachrach, M. Ardeman, and A. Leupp, Energy Efficiency Leadership in California: Preventing the Next Crisis. April 2003.)

Attachment 6:

| | 2004-2005 Authorized Budgets | | | | | Annual Average |
|------------------------------|------------------------------|---------------|--------------|--------------|---------------|----------------|
| | PG&E | SCE | SDG&E | SCG | TOTAL | |
| Emerging Technologies | \$ 2,382,013 | \$ 3,600,000 | \$ 410,000 | \$ 1,506,000 | \$ 7,898,013 | \$ 3,949,007 |
| Codes & Standards Advocacy | \$ 2,950,657 | \$ 2,400,000 | \$ 200,000 | \$ 300,000 | \$ 5,850,657 | \$ 2,925,329 |
| Statewide Marketing/Outreach | \$ 17,965,588 | \$ 13,419,506 | \$ 5,588,820 | \$ 4,026,086 | \$ 41,000,000 | \$ 20,500,000 |

Source: D.013-12-060

| | Proposed Budgets for 2006-2008 | | | | | Annual Average |
|------------------------------|--------------------------------|---------------|--------------|--------------|---------------|----------------|
| | PG&E | SCE | SDG&E | SCG | TOTAL | |
| Emerging Technologies | \$ 11,260,377 | \$11,430,240 | \$ 4,089,000 | \$ 3,000,000 | 29,779,617 | \$ 9,926,539 |
| Codes & Standards Advocacy | \$ 4,635,754 | \$5,851,877 | \$ 1,200,000 | \$ 900,000 | 12,587,631 | \$ 4,195,877 |
| Statewide Marketing/Outreach | \$ 26,948,382 | \$ 20,213,514 | \$ 8,383,230 | \$ 6,039,129 | \$ 61,584,255 | \$ 20,528,085 |

Sources:

1. PG&E

Emerging Technologies: PG&E, Vol. 1, Chapter 3, Table 3-4, p. 3-45
 Codes and Standards: PG&E, Vol. 1 Vol. 1, Chapter 3, Table 3-4, p. 3-45
 EP/FYP: total budget shown in PGE Program Description Volume II Page 115 minus budget for RSE and Univision
 RS&E: PGE Program Description Volume II Page 135
 Univision: PGE Program Description Volume II Page 143

2. SCE

Emerging Technologies: SCE Attachment II - Table 2.1: Program Portfolio
 Codes and Standards: SCE Attachment II - Table 2.1: Program Portfolio
 EP/FYP: SCE Appendix 10.3 Page 337
 RS&E: PGE June 1st Filing- Program Description Volume II Page 135
 Univision: PGE June 1st Filing- Program Description Volume II Page 143

3. SDG&E

Emerging Technologies: 7/1/05 TMW report p. 65
 Codes and Standards: 7/1/05 TMW report p. 65
 EP/FYP: total budget shown in 7/1/05 TMW report p. 65, minus budgets for RSE and Univision
 RS&E: PGE June 1st Filing- Program Description Volume II Page 135
 Univision: PGE June 1st Filing- Program Description Volume II Page 143

4. SCG

Emerging Technologies: SCG 6/1/05 Application, Attachment C to testimony of Athena Besa- Page 86
 Codes and Standards: SCG 6/1/05 Application, Attachment C to testimony of Athena Besa- Page 82
 EP/FYP: SCG 6/1/05 Application, Attachment C to testimony of Athena Besa- Page 129
 RS&E: SCG 6/1/05 Application, Attachment C to testimony of Athena Besa-Page 145
 Univision: SCG 6/1/05 Application, Attachment C to testimony of Athena Besa- Page 152

Table 4

**Pacific Gas and Electric Company
Incremental Electric Revenue and Gas Funding Requirements for 2006-2008 EE Portfolio**

| | 2006 | 2007 | 2008 | Total |
|------------------------------|-------------------|-------------------|-------------------|-------------------|
| Totals including EM&V costs | | | | |
| 1. Electric Rev Req. | \$61,024,021 | \$97,521,221 | \$155,557,278 | \$314,102,520 |
| 2. Gas PPP Funding | <u>15,420,818</u> | <u>21,673,070</u> | <u>31,405,648</u> | <u>68,499,536</u> |
| 3. Total Incremental Funding | \$76,444,839 | \$119,194,292 | \$186,962,926 | \$382,602,056 |
| Totals excluding EM&V costs | | | | |
| 1. Electric Rev Req. | \$56,142,099 | \$89,719,524 | \$143,112,695 | \$288,974,318 |
| 2. Gas PPP Funding | <u>14,187,152</u> | <u>19,939,225</u> | <u>28,893,196</u> | <u>63,019,573</u> |
| 3. Total Incremental Funding | \$70,329,252 | \$109,658,748 | \$172,005,892 | \$351,993,892 |

Notes:

1. The electric revenue requirement includes FF&U; Per D.04-08-010, FF&U expenses were excluded from the natural gas public purpose program surcharge.

2. FF&U was corrected in PG&E's Errata filed June 21.

3. Incremental to approved 2005 funding levels: EE Procurement at \$50,000,000, Gas PPP surcharge at \$20,848,700, and EE PGC at \$110,618,000 plus 2% per year.

4. EM&V at 8% subtracted from electric and gas in each year.

Table 5

**Southern California Edison
Incremental Electric Revenue Requirements for 2006-2008 EE Portfolio**

| | 2006 | 2007 | 2008 | Total |
|-------------------------------|--------------|--------------|--------------|---------------|
| Totals including EM&V costs | | | | |
| Procurement Energy Efficiency | \$50,773,000 | \$50,773,000 | \$50,773,000 | \$152,319,000 |
| Totals excluding EM&V costs | | | | |
| Procurement Energy Efficiency | \$46,711,160 | \$46,711,160 | \$46,711,160 | \$140,133,480 |

Notes:

1. Incremental Procurement Energy Efficiency at \$50,773,000 per year, includes FF&U (\$50,178,000 w/o FF&U).
2. EM&V at 8% subtracted in each year.

Table 6

San Diego Gas and Electric Company
Annual Program Budget Requirement for PY2006 through PY2008 Programs
 (see A.05-60-011 Chapter II page AMB-8)

| | | | | | | | | |
|---|-------------------|------------------|---------------------|--------------------|---------------------|--------------------|---------------------|--------------------|
| Total Program Budget (with EM&V) | 81,146,329 | | 91,438,242 | | 105,559,239 | | | |
| Total Program Budget (without EM&V) | 75,135,490 | | 84,615,039 | | 97,690,036 | | | |
| | 2006 | | 2007 | | 2008 | | TOTAL | |
| | Electric | Gas | Electric | Gas | Electric | Gas | Electric | Gas |
| Total Program Budget (with EM&V) | 75,466,086 | 5,680,243 | 85,037,565 | 6,400,677 | 98,170,092 | 7,389,147 | 258,673,743 | 19,470,067 |
| Electric PGC Budget | 50,673,086 | 5,680,243 | 37,786,819 | 6,400,677 | 35,026,018 | 7,389,147 | 123,485,923 | 19,470,067 |
| Electric Procurement Budget | 24,793,000 | | 47,250,746 | | 63,144,075 | | 135,187,820 | |
| Total Program Budget (without EM&V) | 69,876,006 | 5,259,484 | 78,691,986 | 5,923,053 | 90,851,733 | 6,838,303 | 239,419,725 | 18,020,840 |
| EM&V Budget | 5,590,080 | 420,759 | 6,345,579 | 477,624 | 7,318,359 | 550,844 | 19,254,018 | 1,449,227 |
| PGC Balancing Account | | | | | | | | |
| Authorized Public Goods Charge (PGC) - Collections ¹ | 33,600,000 | 5,000,000 | 34,305,600 | 5,000,000 | 35,026,018 | 5,000,000 | 102,931,618 | 15,000,000 |
| Unspent/Uncommitted PGC Energy Efficiency Budget (1998-2003) | 4,027,502 | - | - | - | - | - | 4,027,502 | - |
| Estimated Interest for Electric PGC Funds/Gas PPP Funds ² | 689,183 | - | 68,259 | - | - | - | 757,442 | - |
| Other Available Funds From PGC Balancing Account | 15,769,361 | - | 3,412,960 | - | - | - | 19,182,321 | - |
| Total Available PGC Balancing Account Funds with EM&V² | 54,086,046 | 5,000,000 | 37,786,819 | 5,000,000 | 35,026,018 | 5,000,000 | 126,898,883 | 15,000,000 |
| Total Available PGC Balancing Account Funds without EM&V² | 54,086,046 | 5,000,000 | 43,488,701 | 5,000,000 | 35,026,018 | 5,000,000 | 132,600,765 | 15,000,000 |
| Procurement Balancing Account | | | | | | | | |
| Current Authorized Collection ³ | 24,793,000 | | 24,793,000 | | 24,793,000 | | 74,379,000 | - |
| Total Available Procurement Balancing Account Funds | 24,793,000 | | 24,793,000 | | 24,793,000 | | 74,379,000 | - |
| Total Available Funding with EM&V ² | 78,879,046 | 5,000,000 | 62,579,819 | 5,000,000 | 59,819,018 | 5,000,000 | 201,277,883 | 15,000,000 |
| PGC (Shortfall) Excess with EM&V² | 3,412,960 | (680,243) | | (1,400,677) | - | (2,389,147) | 3,412,960 | (4,470,067) |
| Procurement (Shortfall) Excess with EM&V | - | NA | (22,457,746) | NA | (38,351,075) | NA | (60,808,820) | - |
| PGC (Shortfall) Excess without EM&V² | 9,003,040 | (259,484) | | (923,053) | - | (1,838,303) | 9,003,040 | (3,020,840) |
| Procurement (Shortfall) Excess without EM&V | - | NA | (10,410,285) | NA | (31,032,716) | NA | (41,443,001) | - |

Assumptions:

- (1) Assumed an escalation rate of Electric PGC of 2.1% annually based on the 2004 Gross Domestic Product Deflator for years 2007 and 2008.
- (2) Assumed that excess electric PGC funds from previous year (Line 30 or 32) is carried over to the next year with an assumed annual interest rate (Line 18) of 2%.
- (3) Assume that we would collect at least \$24,793,000 from Procurement since we are already authorized to collect this minimum amount.
- (4) Assume that there will be no carry-over from the 2004-2005 Procurement and PGC programs.

Table 7

**Southern California Gas Company
Annual Program Budget Requirement for PY2006 through PY2008 Programs
(\$000)
(see A.05-60-011 Chapter II page AMB-3)**

| | 2006 Gas | 2007 Gas | 2008 Gas |
|--|---------------------|---------------------|----------------------|
| Public Goods Charge (PGC) - Collections | 26,995.000 | 26,995.000 | 26,995.000 |
| Other Available Funds From Balancing Account | 1,194.369 | | |
| Proposed Budgets (with EM&V) | (47,869.000) | (61,109.000) | (73,457.000) |
| Proposed Budgets (without EM&V) | (44,323.164) | (56,582.385) | (68,015.720) |
| PGC (Shortfall) Excess | (64,002.795) | (90,696.385) | (114,477.720) |
| Total Program Budget (with EM&V) | 47,868.782 | 61,109.298 | 73,457.283 |
| Total Program Budget (without EM&V) | 44,323.164 | 56,582.385 | 68,015.720 |

Assume that there will be no carry-over from the 2004-2005 PGC programs.

TABLE 8: ADOPTED FUND SHIFTING RULES

| Category | Shifts Among Budget Categories, Within Program | Shifts Among Programs, Within Category | Shifts Among Categories |
|---|---|--|--|
| Resource / Non-resource Programs (includes multiple program categories – see definitions below) | Yes, no formal Commission review/approval triggered. | <ul style="list-style-type: none"> • Yes, no formal Commission review/approval triggered. • However, 15 day PRG notification and comment required if shifts exceed 25% on an annual basis or 50% on a cumulative basis. • Adding a new program outside the competitive bid process triggers Advice letter process. • Advice letter required if allocation to third-party implementers is expected to fall below 20%. | <ul style="list-style-type: none"> • Yes, up to 25% on an annual basis or 50% on a cumulative basis. Advice letter required for larger shifts. • Adding a new program outside the competitive bid process triggers Advice letter process. • Advice letter required if allocation to third-party implementers is expected to fall below 20%. |
| C&S / ET / Statewide M&O | Yes, same as above | Advice letter required for shifts that would reduce any of these programs by more than 1% of budgeted levels. | Advice letter required to shift funds OUT of any program more than 1% of budgeted levels. |
| EM&V | Yes, within utility portion. Fund shifting between the utility and ED portions only with Assigned Commissioner or ALJ approval, in consultation with Joint Staff. | Not Applicable – Single Program | Assigned ALJ or Commissioner ruling required to shift funds OUT of EM&V by any amount. |

For purpose of these fund-shifting rules, the Resource/Non-Resource program categories are as follows:

- Resource / Non-Resource Program categories for **SCE, SDG&E, and SoCalGas** are: (1) Residential; (2) Nonresidential; (3) Crosscutting (except C&S, ET, SW Marketing and Outreach, EM&V).
- Resource / Non-Resource Program categories for **PG&E** are: (1) Mass Market (residential/small commercial cross-cutting); (2) Residential targeted market sectors within Targeted Markets and (3) Non-Residential targeted market sectors within Targeted Markets.

Utility program administrators may carryover/carryback funding during the 2006-2008 program cycle without triggering a review/approval process. Changes to incentive levels or modifications to program design (such as changes to customer eligibility requirements) will not trigger Energy Division or formal Commission review. We expect that the results of EM&V studies, statewide coordination efforts and ongoing consultation with advisory groups will enable utility program administrators to identify the best practices and program designs for portfolio implementation.

For all significant shifts in funding or modifications to program design, the utilities should seek informal review with their PAGs/PRG members as part of the ongoing exchange of information during program implementation. Where an advice letter is required under these rules, the advice letter procedures adopted in D.05-01-032 shall apply. All advice letters required for fund shifting shall be served on the service list in A.05-06-004 and R.01-08-028, or its successor rulemaking, unless otherwise specified by the assigned ALJ.

The assigned ALJ, in consultation with the Assigned Commissioner, may provide further clarification on implementing these fund-shifting rules, or consider modifications to these rules during the 2006-2008 program cycle, as appropriate.

ATTACHMENT 1
List of Abbreviations and Acronyms

ALJ - Administrative Law Judge
Cal-UCONS - Cal-UCONS, Inc.
CASE - Codes and Standards Enhancement
CCSF - City and County of San Francisco
CEC - California Energy Commission
CMS - Case Management Statement
CSBE - Center for Small Business and the Environment, San Francisco Small Business Network and Small Business California
D. - Decision
DEER - Database for Energy Efficiency Resources
EEPAM - Energy Efficiency Program Adjustment Mechanism
EM&V - Evaluation, Measurement and Verification
ERRA - Energy Resource Recovery Account
EULs - Expected Useful Lives
FF&U - Franchise Fees and Uncollectibles
GBI - Green Buildings Initiative
GWh - Giga-Watt Hours
HID - High Intensity Discharge
HMG - Herchong Mahone Group, Inc.
HVAC - Heating, Ventilating and Air Conditioning
IDEEA - Innovative Design for Energy Efficiency Applications
INDEE - Innovative Design for Energy Efficiency
LEED - Leadership in Energy and Environmental Design
MIDSM - Market Integrated Demand Side Management
MTh - Million therms
MW - Megawatts
MWh - Megawatt hour
NAESCO - National Association of Energy Service Companies
NRDC - Natural Resources Defense Council
NTG - Net-to-Gross
ORA - Office of Ratepayer Advocates
PAC - Program Administrator Cost
PAGs - Program Advisory Groups
PEEBA - Procurement Energy Efficiency Balancing Account
PG&E - Pacific Gas and Electric Company

PHC - Prehearing Conference
PRG - Peer Review Group
Proctor - Proctor Engineering Group
Registry - California Climate Action Registry
RFPs - Request for Proposals
R. - Rulemaking
SCE - Southern California Edison Company
SDG&E - San Diego Gas & Electric Company
SoCalGas - Southern California Gas Company
TRC - Total Resource Cost
TURN - The Utility Reform Network
UCAN - Utility Consumers' Action Network
WEM - Women's Energy Matters

(END OF ATTACHMENT 1)

ATTACHMENT 2

Energy Efficiency Advisory Groups: Purpose, Process and Composition

Purpose

By D.05-01-055, the Commission directed the utilities to create three separate program advisory groups (PAGs): one for each service territory, including a joint PAG for the combined service territories of SCE and SoCalGas. As defined by the Commission in D.05-01-055, the overall purpose of the utilities' Program Advisory Groups (PAGs) is to "safeguard against potential bias in program selection and portfolio management."¹ More specifically, the purpose is to:

- Promote transparency in the utility program administrators' decisionmaking processes;
- Provide a forum to obtain valuable technical expertise from stakeholders and non-market participants;
- Encourage collaboration among stakeholders, and
- Create an additional venue for public participation.

The Commission also intended the PAGs to:

- Create an open exchange of information for utility program administrators, experts and stakeholders, and
- Provide an independent assessment of the program utilities' portfolio design and program selection.

By D.05-01-055, each utility and its PAG (or a subset of its PAG) was directed to:

- Closely collaborate and coordinate on statewide programs;
- Design program and implementation strategies that increasingly integrate demand response and distributed generation offerings to end users, and
- Ensure that statewide residential and nonresidential programs take advantage of "best practices" and avoid customer confusion by being as consistent as possible.

In addition, the PAGs are expected to meet at least once every quarter during program implementation and to provide a joint report to the Energy Division with recommendations on (1) how the utilities can improve their effectiveness as administrators in managing the portfolio of programs and (2) how the program selection process can be improved to better meet the Commission's procurement goals.

¹ D.05-01-055, p. 91.

The Commission also directed the utilities to organize subgroups of non-financially interested members of the PAGs, referred to as “Peer Review Groups” or “PRGs.” The PRGs are responsible for reviewing the utilities’ submittals to the Commission and assessing the utilities’ overall portfolio plans, their plans for bidding out pieces of the portfolio per the minimum bidding requirement, the proposed bid evaluation criteria and their application of that criteria in selecting third party programs. In addition, the PRGs are responsible for assessing the portfolios in terms of their ability to meet or exceed the short- and long-term savings goals established by the Commission.² Energy Division chairs each PRG, and takes an active role in the PRG process on a substantive level. The Commission authorized Energy Division to hire an independent consultant or consultants to assist in its own assessment of the issues, to be paid for by energy efficiency program funds. The utilities are required to include the PRG assessments with their filings for approval of program plans and final programs.

As explained in D.05-01-055, the PAGs do not have independent contracting or decisionmaking authority. In addition, individual PAG members do not relinquish any right to participate in energy efficiency proceedings and comment on utility filings in those proceedings. The Commission recognized that all input from the PAGs would not necessarily be agreed to by the utilities, or even among PAG members, but expected that the advisory group forum would introduce new ideas, identify problems and explore potential resolution of disputed issues.

Process

From February through April, PG&E hosted six PAG meetings, two public workshops and a mini-workshop focusing exclusively on heating, ventilation and air conditioning issues. Eight of the meetings lasted all day, the rest half a day. Two of the PAG meetings and the mini-workshop focused exclusively on technical and substantive issues scheduled at PAG or public member’s request. Other agendas included a mixture of topics that PG&E wanted to cover and topics others requested be addressed.

SDG&E conducted a total of six PAG meetings, seven PAG subcommittee meetings and two public workshops. SDG&E provided two opportunities for the PAG and the public to attend presentations by national experts: (1) Dr. Amory Lovins’ presentation of energy efficiency ideas to stimulate more innovative program ideas and (2) Marc Hoffman of the Consortium on Energy Efficiency, presented “Energy Efficiency Opportunities From a National Perspective.”

SoCalGas and SCE jointly held four PAG meetings and sponsored two public workshops. In addition, their joint PAG created a subcommittee to further investigate energy efficiency opportunities in the HVAC market segment.

The utilities (through PG&E) also hosted two statewide PAG meetings to discuss statewide programs and consistency issues. At these meetings, the utilities discussed

² *Ibid*, p. 98.

their individual program portfolios, revisions to the existing statewide programs and their fund shifting and portfolio flexibility proposal.

All PAG meetings were noticed on a statewide clearinghouse website, open to the public, and allowed for public comment during the meetings. In addition to participating in their respective PAG meetings, PRG members met frequently in their PRG subgroup in order to develop the PRG written assessments.

The utility applications present a detailed listing of the comments and recommendations received during the PAG/PRG meetings and public workshops, and present the utilities' responses. As indicated in those tables, many of the specific recommendations were directly incorporated into the June 1 proposed portfolio plans.³

Composition

Per D.05-01-055, the PAGs should consist of market and non-market participants across the full spectrum of program areas and strategies. Energy Division and the Office of Ratepayer Advocates (ORA) staff are *ex officio* members of each PAG and PRG, and the California Energy Commission (CEC) also participates as a member. As discussed above, the PRG subgroups are to be comprised of non-financially interested PAG members.

Based on the Commission's guidance in D.05-01-055, the utilities selected their PAG and PRG subgroup members, as presented below.

Pacific Gas and Electric Company's Advisory Group

| Name | Company/Organization |
|------------------|---|
| Devra Bachrach | Natural Resources Defense Council (NRDC) |
| Lauen Casentini | D&R International |
| Audrey Chang | NRDC * |
| Ken Cleveland | Building Owners and Management Association |
| Sam Cohen | Energy Solutions |
| Tim Drew | Energy Division * |
| Kathleen Gaffney | Kema-Xenergy |
| Donald Gilligan | Predicate, LLC |
| Hayley Goodson | TURN |
| Noah Horowitz | NRDC * |
| Dough Mahone | Heschong Mahone Group |
| Cynthia Mitchell | Energy Economics, Inc. (TURN) * |
| Steve Nadel | American Council for an Energy Efficiency Economy (ACEEE) |
| Bill Pennington | CEC* |
| Mary Ann Piette | Lawrence Berkeley National Lab/Demand Response Center |

³ PG&E: Volume 1, Prepared Testimony, Table 3-5; SCE: Exhibit SCE-2, Attachment III, Table 1.1; SDG&E and SoCalGas: Chapter I, Prepared Testimony, Attachment A.

| | |
|---------------|----------------------------------|
| Mike Rufo | Quantum Consulting |
| Pat Stoner | Local Government Commission |
| Christina Tam | ORA * |
| Joe Williams | Richard Heath and Associates |
| Ed Wisniewski | Consortium for Energy Efficiency |

San Diego Gas and Electric Company's Advisory Group

| Name | Company/Organization |
|--------------------|---|
| Rose Araracap | U.S. Navy |
| Devra Bachrach* | NRDC |
| Alan Ball | Qualcomm, Inc. |
| Sylvia Bender* | CEC |
| Dr. Asfaw Beyene | San Diego State University |
| Tom Blair | City of San Diego |
| Beth Brummitt | Brummitt and Associates |
| Jeff Grissom | County of San Diego |
| Rachel Harcharick* | ITRON, Inc. |
| Marc Hoffman | Consortium for Energy Efficiency |
| Ed Wisniewski | Consortium for Energy Efficiency |
| Gary Matthews | University of California, San Diego |
| Ariano Merlino* | Energy Division |
| Bob Noble | Tucker Sadler Noble Castro Architects |
| Bob Pinnegar | San Diego County Apartment Association |
| Jennifer Porter | San Diego Regional Chamber of Commerce |
| Rob Rundle | San Diego Association of Governments |
| Rich Sperberg | National Association of Energy Service Companies (NAESCO) |
| Irene Stillings | San Diego Regional Energy Office |
| Christine Tam* | ORA |
| Michael Shames* | Utility Consumers' Action Network (UCAN) |
| Dr. Mark Thayer* | San Diego State University (also for UCAN) |
| Ken Willis | League of California Homeowners |

Southern California Edison/Southern California Gas Joint Advisory Group

| | |
|----------------|---|
| Ken Willis | League of California Homeowners |
| Erik Schneider | Goldrich & Kest Management |
| Mark Whitlock | First African Methodist Episcopal Church |
| Dennis Thurman | Building Owners and Management Association |
| Dave Coe | California Manufacturers & Technology Association |
| Don Gilligan | NAESCO |
| James Weiner | American Insititute of Architects |
| Tim Piasky | Southern California Building Industry Association |
| Margaret Clark | Local Governments |

| | |
|-------------------|-----------------------------------|
| Ed Wisniewski | Constortium for Energy Efficiency |
| Devra Bacrach* | NRDC |
| Cynthia Mitchell* | TURN |
| Mike Messenger* | CEC |
| Christine Tam* | ORA |
| Peter Lai*` | Energy Division |

PG&E's 2006 Energy Efficiency Programs

| PG&E - Program Specific Summaries | | | | |
|---|---|--|---|--|
| Program Names | Mass Markets | Agricultural and Food Processing | Fabrication, Process and Heavy Industrial Manufacturing | High Technology Facilities |
| Short Description | This program is a new integrated approach to serve residential and small commercial customers with similar purchasing patterns, vendors, and approaches to energy use. Large commercial and industrial customers will be channeled through this program for some deemed savings measures. | Specialists in these areas will provide targeted services to agricultural and food processing customers. | This program serves the heavy industry market. The program will support energy efficiency project development through on-site facility audits, facility benchmarking and customized design assistance and engineering support as well as incentives for energy efficient retrofit and new construction. | This program offers high technology facilities energy specialists to provide a wide range of energy services including incentives for projects to improve energy efficiency in new and existing buildings. |
| % of IOU Budget (w/o EM&V*) | 49.24% | 5.72% | 15.85% | 1.99% |
| MWh | 575,503 | 49,456 | 96,827 | 13,786 |
| MW (Summer Peak) | 96.21 | 8.2 | 21.01 | 2.99 |
| Mtherms | 2.7 | 1.92 | 9.24 | 0 |
| TRC (w/o EM&V*) | 1.66 | 3.28 | 3.11 | 1.93 |
| Design & Delivery | The Mass Market program will use a variety of up stream, mid-stream and down stream approaches to involve all actors in this integrated market. | The program will use specialists from PG&E and third parties to facilitate delivery of a portfolio of energy services. It will include statewide elements along with specific components tailored to PG&E's customers. | The program will have statewide elements and customized support. | The program will incorporate statewide rebate elements as well as elements specifically targeted to and customized for PG&E's high technology customers. |
| Markets Targeted | Mainly residential and small commercial. Other programs may channel customers into the deemed savings component for certain measures, e.g., an industrial customer with a small item or limited number of items to replace (a motor) could participate in the Mass Market program, but mid-and large-sized projects at industrial sites are not the main targets for the Mass Market program. | Targets new and existing agricultural and food processing facilities. Both types of customers have high energy intensities where energy bills are large components in profit margins and both sectors have unique measures and systems that require experienced utility representatives. | Manufacturing and process industries such as printing plants, plastic injection molding facilities, lumber and paper mills, metal processing, petroleum refineries, chemical industries, assembly plants and water treatment plants. | Biotechnology, pharmaceutical plants, electronics manufacturing, cleanrooms, data centers, and telecommunications. |
| * EM&V costs (\$21,274,235) for 2006 are at the portfolio level only. | | | | |

Attachment 3:
PROGRAM SUMMARIES BY UTILITY

PG&E's 2006 Energy Efficiency Programs

| Hospitality Facilities | Large Commercial (Office Buildings, Government, Large Institutions) | Medical Facilities | Residential New Construction | Retail Stores |
|--|--|--|--|---|
| This program targets new and existing lodging using PG&E and other third party specialists to provide commissioning, demand response options and incentives for energy efficient retrofit and new construction. | The Large Commercial program provides energy efficiency and demand response services to customers using PG&E and third party specialists. It will also include statewide components and Mass Market rebates as well as elements targeted to the large commercial facilities customers. | This program targets existing and new medical facilities offering integrated energy services for retrofit and new construction while channeling medical offices and smaller nursing homes to the Mass Market program. | The program targets new residential single family, multifamily, and manufactured housing. | The Retail Stores program will offer energy efficiency services for both retrofit and new construction to supermarkets, restaurants, general retail and big box retail. |
| 0.65% | 4.30% | 3.10% | 4.06% | 2.10% |
| 5,252 | 47,478 | 30,838 | 5,408 | 25,396 |
| 0.689 | 10.3 | 4.32 | 3.7 | 4.41 |
| 0 | 0 | 0 | 0.4 | 0 |
| 1.94 | 3.13 | 2.76 | 0.57 | 3.34 |
| Will address the energy needs of larger hotels, convention centers, and chains. The Mass Market program will be the primary delivery channel for smaller hotels/motels. Will promote efficiency services for their operations, education and training of customers and market actors on new energy efficiency equipment and practices in the industry as well as financial incentives for retrofit and new construction. | Services offered include life cycle costing and finance education, case studies, financial incentives for retrofit and new construction; commissioning and retro commissioning, and upstream activities targeting HVAC, lighting, and plug load devices. | Many hospitals are challenged with meeting seismic standards in the near future. PG&E experts will focus on reducing the barriers such as lengthy design and capital constraints that hinder energy efficient design and retrofit. | The program will include statewide elements as well as those targeted specifically to residential developers and contractors. The program includes a prescriptive based component offering deemed savings measures as well as a performance based component targeted at set percentages over Title 24. | The program will address the energy needs of big box retail, chain supermarkets and restaurants. The Mass Market program will support the smaller retail stores and restaurants. PG&E and industry experts will provide a package of services to centralized decision makers. |
| New and existing hotels, resorts, convention centers, hotel chains, and prisons as well as the architects, engineers, contractors, and vendors who specialize in this segment. | New and existing large commercial, governmental, and institutional office facilities. | Hospitals, medical offices, nursing homes as well as the specialized architects and engineers in this market. | Residential developers, contractors, architects and designers of single family, multifamily, and manufactured housing. | Diverse markets will be targeted including supermarket chains, restaurants and fast food chains, general and big box retail. |
| | | | | |

PG&E's 2006 Energy Efficiency Programs

| | Codes and Standards | Education and Training | Emerging Technologies | Statewide Marketing and Information |
|--|---|---|--|---|
| Schools and Colleges | | | | |
| This program will serve public and private K-12 schools, colleges, universities and campus student housing. It will provide assistance of specialists to help school districts plan energy projects including retrofit and new construction. Colleges and universities will participate in a statewide partnership. | This existing statewide program provides case studies for potential new code and standard applications as well as supports training of codes officials for code compliance. | This program offers a wide variety of educational seminars and training sessions to customers, contractors, vendors, designers and others who provide a variety of energy efficiency services. It also includes energy audits for residential and nonresidential customers. | This information only program is designed to accelerate the introduction of innovative energy efficiency technologies, applications, and tools into the market. | Three contractors will provide general energy efficiency messaging to wide audiences. |
| 1.84% | 0.61% | 5.36% | 1.50% | 3.67% |
| 7,187 | Energy savings under consideration | Energy savings under consideration | N/A | N/A |
| 0.98 | Energy savings under consideration | Energy savings under consideration | N/A | N/A |
| 0 | Energy savings under consideration | Energy savings under consideration | N/A | N/A |
| 1.06 | N/A | N/A | N/A | N/A |
| This program will provide K-12 school districts with an assigned energy efficiency specialist, which they often lack, to recommend energy efficiency improvement projects and help develop a long term energy plan. The program will also work with the more sophisticated college and university staff to promote and implement more complex energy projects. | This program produces studies of new and promising design practices and technologies, advocates for code enhancements, conducts supporting research and analysis and supports training to improve compliance. | The Energy Training Center - Stockton, the Pacific Energy Center, and the Food Service Technology Center are the main delivery points but will also offer classes in less central locations, at customer or contractor sites or retail/distributor locations. | The program identifies promising new products or practices and accelerates the market acceptance through demonstration projects and information dissemination about the projects' results. | Efficiency Partnership, Runyon Saltzman & Einhorn and Staples Marketing will provide statewide efficiency messaging and marketing of energy efficiency. |
| Public and private K-12 schools, colleges, universities and campus student housing including the full spectrum of uses such as class rooms, offices, gymnasiums, pools, laboratories. | No targeted markets, but codes can affect most customers. | Customers, contractors, retailers/distributors, designers, architects, and engineers who design and build energy efficient project or sell and service energy efficient equipment. | The program targets all markets. | All markets, but primarily the mass markets. One focuses on rural customers and another on residential, primarily Spanish speaking customers. |
| | | | | |

SCE - Program Specific Summaries

| SCE | Appliance Recycling Program | Residential Energy Efficiency Incentive Program | Multifamily Energy Efficiency Rebate Program |
|------------------------------|---|---|---|
| Short Description | The program will emphasize the energy-efficiency benefits associated with the disposal of spare refrigerators and freezers and will also encourage the accelerated retirement of older and least efficient primary refrigerators and freezers, and room air conditioners with more energy efficient (e.g., ENERGY STAR®) units. | The program will incorporate innovative approaches to address opportunities in the upstream, midstream, and downstream markets. In a systematic approach, the program will achieve maximum energy savings through two program components—lighting and non-lighting measures—to effectively address market barriers specific to each end-use technology. | The Multifamily Energy Efficiency Rebate Program (MFEER) is designed specifically to motivate the multifamily property owner/manager toward installing energy efficient products. |
| % of IOU Budget | 5.9% | 10.0% | 7.9% |
| MWh | 177,323 | 788,040 | 132,383 |
| MW | 38.48 | 160.20 | 28.73 |
| Mtherms | - | - | - |
| TRC | 6.57 | 4.17 | 2.47 |
| Design & Delivery | The program will offer customers on a first-come, first-served basis free pickup of working refrigerators or freezers and a cash incentive. Customers can schedule a pickup appointment of their standard size refrigerator or freezer by calling a toll-free number or going to the designated SCE web site. | The program will utilize three program strategies: Upstream strategy including Point of Sale rebates, Midstream strategy aimed at retail stores, and a Downstream strategy. | The program uses independent contractors to market and install the program. |
| Markets Targeted | Residential and nonresidential customers will be eligible to participate in the program. | The program will target homeowners and renters for the non-lighting measures, and for lighting SCE will also target residential new construction and small commercial customers. | The MFEER eligible customer will be the property owner or manager of multifamily complexes of two or more dwelling units. The program will also extend its services to mobile home parks. |

| SCE | Home Energy Efficiency Survey | Integrated School-Based Program | CA New Homes Program |
|------------------------------|---|---|---|
| Short Description | The program provides customers with information at no charge to help them become familiar with ways to control and reduce energy usage in their homes. The program will also include a direct install component by installing CFLs in the homes of customers participating in the in-home survey. | Combines three school-based efforts on residential use through child education, and integration of school use and student education at middle/high schools and college campuses. | The program will target builders and developers for the improvement of energy efficiency in single family and multifamily dwelling units. |
| % of IOU Budget | 0.9% | 0.7% | 2.7% |
| MWh | 18,011 | 10,704 | 10,526 |
| MW | 3.91 | 2 | 2.28 |
| Mtherms | - | - | - |
| TRC | 0.93 | 1.32 | 0.43 |
| Design & Delivery | The program will be delivered through six strategies: Mail-In Energy Survey, On-Line Energy Survey, In-Home Energy Survey, Phone Energy Survey, Welcome Package, and an Energy Efficiency Mortgage Display. | The program will be delivered through three coordinated program strategies to effectively address the barriers faced by the schools market. The strategies will be LivingWise, Green Schools, and Green Campus. | The program will work with builders and contractors as well as many related professional organizations. |
| Markets Targeted | The program targets residential customers in distinct markets, including hard-to-reach and multilingual areas. | The program targets K-12 and college students and their families in SCE's rural and moderate-income areas. The program will also target K-12 schools; regional occupational centers; and universities within SCE's service territory. | The program shall target all residential builders regardless of production size, market segment, or geographic location. |

| SCE | Business Incentive Program | Comprehensive HVAC Program (Residential) | Comprehensive HVAC Program (Non-Residential) |
|------------------------------|---|---|---|
| Short Description | The Business Incentive Program will target all nonresidential customers regardless of size in terms of monthly kW demand. This innovative, integrated program design will offer a full range of solutions, including audits, design assistance, and incentives for qualifying measures to all nonresidential customers, from the smallest GS-1 customer to the largest TOU commercial or industrial customer. | The Comprehensive HVAC Program will utilize three distinct strategies to target the Upstream/Midstream/Downstream markets of the Residential and Nonresidential HVAC market. | The Comprehensive HVAC Program will utilize three distinct strategies to target the Upstream/Midstream/Downstream markets of the Residential and Nonresidential HVAC market. |
| % of IOU Budget | 15.7% | 2.0% | 7.0% |
| MWh | 1,043,035 | 24,153 | 138,357 |
| MW | 192.32 | 5.17 | 29.60 |
| Mtherms | - | - | - |
| TRC | 3.74 | 0.71 | 1.14 |
| Design & Delivery | The Business Incentive program will primarily be delivered directly to customers by vendors, SCE account representatives, direct mail, or the internet. The intent of dividing the program in terms of itemized, calculated, and customized rebates is to make it easier for customers to participate in energy efficiency activities and to receive acknowledgement in the form of a financial incentive. | The program will utilize 3rd party contracts for implementation of the three program strategies: Upstream, Midstream, and Downstream | The program will utilize 3rd party contracts for implementation of the three program strategies: Upstream, Midstream, and Downstream |
| Markets Targeted | The Business Incentive Program will be open to all SCE nonresidential customers. | All SCE customers will be eligible for the program. Since the program focuses primarily on small packaged air conditioning units, the customers are residential and commercial. | All SCE customers will be eligible for the program. Since the program focuses primarily on small packaged air conditioning units, the customers are residential and commercial. |

| SCE | Retrocommissioning | Industrial Energy Efficiency Program | Agricultural Energy Efficiency Program |
|------------------------------|--|---|---|
| Short Description | The Retrocommissioning program will apply a systematic process for improving and optimizing larger sized building's operations and for supporting those improvements with enhanced documentation and training. | The program will strive to offer integrated industry and process-specific customer assistance in implementing projects from inception to completion, overcoming barriers at every phase and nurturing the customer relationship such that future savings opportunities occur within each facility on an ongoing, sustainable basis. | The Agricultural Energy Efficiency Program will encourage agricultural production and water supply customers to improve the energy efficiency of their facilities, including electricity used for water pumping and non-pumping activities. |
| % of IOU Budget | 1.7% | 6.0% | 5.6% |
| MWh | 39,040 | 194,474 | 129,368 |
| MW | 8.47 | 42.20 | 28.07 |
| Mtherms | - | - | - |
| TRC | 1.72 | 2.97 | 1.51 |
| Design & Delivery | The program will contract with many commissioning providers and will utilize SCE account reps and networks with customers and local governments | The program's strategy will be to increase industrial customer participation in the full menu of existing and proposed energy efficiency programs by reducing market barriers through coordinated multi-channel program delivery mechanisms for traditional and nontraditional incentive structures. | The program will utilize SCE reps and contract organizations to outreach to SCE's agricultural customers. |
| Markets Targeted | Nonresidential medium and large customers in the commercial & industrial, government and institutional segments will be the primary customer groups. | This program is open to all industrial customers. Specific targets: Oil & gas extraction, food processing, chemicals, paper, and water and wastewater. | The Agricultural Energy Efficiency Program will target customers that engage in farming, agricultural product processing, and water supply and treatment. |

| SCE | Nonresidential Direct Install | Savings By Design New Construction Program | Sustainable Communities |
|------------------------------|--|--|--|
| Short Description | The Nonresidential Direct Installation Program is designed to produce cost-effective, long-term peak demand and energy savings by providing no-cost and low-cost energy efficient equipment retrofits to very small and small commercial customers in SCE's service territory. | Savings By Design will offer a full spectrum of support to building owners, architects, engineers, and other specialized consultants, providing the tools and information necessary to achieve optimum energy and resource efficiency in their projects. | The program will facilitate development of an integrated solutions proposal that incorporates the approach, design, and delivery of this pilot program for specific community or facility needs. |
| % of IOU Budget | 7.2% | 4.6% | 0.7% |
| MWh | 348,848 | 132,261 | 8,212 |
| MW | 75.70 | 11.80 | 0.36 |
| Mtherms | - | - | - |
| TRC | 5.42 | 2.67 | 3.68 |
| Design & Delivery | The Nonresidential Direct Installation program works through a set of approved contractors and third-party (CBO/FBOs) implementers who are empowered to promote, enroll, and audit qualified customers to the program and to install measures at no cost to participants. | The program will work early with projects, architect, designers, workshops, education to encourage whole building approach. | The primary focus of the program is to utilize utility and community delivery channels to offer an enhanced bundled package of SCE's energy efficiency products. |
| Markets Targeted | The targeted market segments will be very small and small nonresidential customers whose annual electric demand is less than 20 kW in targeted rural areas other than the Los Angeles basin, and targeted areas identified by the CBO/FBOs working with SCE. | SBD is available to the following customer participants: New construction or major renovation projects in nonresidential market segments (commercial, governmental, institutional, agricultural, and industrial). | The target audience will include architects, building contractors, building owners, engineering firms, land developers, and municipalities and their internal agencies. |

| SCE | Education and Training | Statewide Emerging Technologies | Statewide Crosscutting Codes and Standards |
|------------------------------|--|--|---|
| Short Description | The Education, Training, and Outreach Program will play a significant role in overcoming market barriers related to insufficient information and product knowledge regarding energy efficient products and technologies. | The Statewide Emerging Technologies program is an information-only program that will seek to accelerate the introduction of innovative energy efficient technologies, applications and analytical tools that are not widely adopted in California. | The statewide Codes and Standards (C&S) program is an information-only program that will advocate upgrades and enhancements in energy efficiency standards and codes. |
| % of IOU Budget | 3.6% | 1.7% | 0.9% |
| MWh | - | - | - |
| MW | - | - | - |
| Mtherms | - | - | - |
| TRC | - | - | - |
| Design & Delivery | Includes CTAC, AGTAC, the mobile energy unit, remote facility audits (mail-in Spanish), CLEO, and BOC | The utilities will deliver the program through custom demonstration projects, often working with targeted “innovators” and coordinated efforts such as the Emerging Technologies Coordinating Council database. | The program will work closely with California Energy Commission staff and other codes and standards advocates. |
| Markets Targeted | The program will target all market segments with information and education with an added focus on emerging tech, demand response, and distributed generation. | Customers from all markets segments will be eligible to host emerging technology application demonstration projects. | The program will target key stakeholders such as equipment manufacturers, government institutions, and numerous other businesses and public agencies. |

| SCE | Local Government Partnerships Program | IDEEA | InDEE |
|------------------------------|---|--|---|
| Short Description | SCE's Local Government Partnerships (LGP) program will optimize the opportunities for institutions, Jurisdictions and their communities to work toward the common goal of achieving short and long-term energy savings, reduced utility bills, and an enhanced level of comfort in municipal and commercial buildings as well as homes. | The program will conduct a general solicitation to look for new program designs that have a real potential for cost effective energy efficiency. | The program will conduct a general solicitation to search for unique and newer energy efficiency technologies and/or very distinctive approaches to capturing cost effective energy efficiency. |
| % of IOU Budget | 6.6% | 4.8% | 0.9% |
| MWh | 131,961 | 96,875 | 14,539 |
| MW | 28.64 | 21.02 | 3.16 |
| Mtherms | - | - | - |
| TRC | 3.15 | 4.23 | 3.84 |
| Design & Delivery | | Competitively Bid Programs | Competitively Bid Programs |
| Markets Targeted | The LGP Programs will target cities, counties, state and community universities and colleges and local government organizations. | The program applies to all residential and nonresidential customers in SCE territory. | The program applies to all residential and nonresidential customers in SCE territory. |

| SCE | Statewide Marketing & Outreach | |
|------------------------------|---|--|
| Short Description | The overarching goal of the Flex Your Power campaign will be to increase overall statewide awareness and demand for energy efficiency and continue to build the market for energy efficient appliances, products and services to help the state reach its long-term energy goals. | Totals differ from filed tables in part due to rounding and in part due to CA New Homes having bad data in the Master sheet and this table missing LIEE. |
| % of IOU Budget | 3.0% | 100.0% |
| MWh | - | 3,438,112.14 |
| MW | - | 682.41 |
| Mtherms | - | - |
| TRC | - | - |
| Design & Delivery | The program will achieve its goals using a full and synergistic range of marketing and outreach strategies including television; radio and newspaper ads; earned media; printed educational materials; events; a comprehensive website resource serving all parties statewide; a biweekly electronic newsletter; forums and workshops; and partnerships with thousands of businesses, government and nonprofit organizations. | |
| Markets Targeted | The Flex Your Power campaign targets all customers and market segments and actors in the state, including hard-to-reach. | |

SDG&E - Program Specific Summaries

| SDGE (Assessment Still in Progress) | Limited Income Refrigerator Replacement Program | Lighting Exchange Program | Residential Customer Education Information | Residential Incentive Program |
|-------------------------------------|--|---|---|--|
| Short Description | Provides no cost refrigerators to customers just above LIEE funding limits | Customers exchange inefficient lights for efficient lights via neighborhood targeted out reach | Provides education and information through several program components: Home Energy Efficiency Survey (HEES) a statewide education and information based program; Home Energy Comparison Tool (HECT); the PEAK Student Energy Action Program (PEAK) a partnership program with the Energy Coalition and neighborhood outreach event. | Provides rebates and point of purchase discounts for selected energy-efficient residential measures and equipment. |
| % of IOU Budget | 1.2% | 0.6% | 0.8% | 2.8% |
| MWh | 6 | 6,532 | - | 37 |
| MW | 0.85 | 1.25 | - | 33.18 |
| Mtherms | - | - | - | 566 |
| TRC | 1.49 | 2.73 | - | 1.44 |
| Design & Delivery | Program coordination with LIEE will be seamless for the customer. If they are approached for possible participation in the LIEE program and do not income qualify, but are within the LIRR Program income guidelines, an assessment of the refrigerator will be performed. If the existing unit qualifies for replacement, the customer will be offered a new energy efficient unit. | The program is designed to provide maximum ease for customers to participate in exchanging their incandescent bulbs and torchieres for compact florescent lighting at convenient neighborhood locations. These events will be held in conjunction with local community agencies. The program manager and community facilitation will coordinate site locations. | Customers will receive energy efficiency information via, online, telephone, or mail-in surveys. They will also be able to compare their energy use with others in their neighborhood with the energy comparison tool. School children will also receive energy efficiency information as part of this program. | The program is designed to provide maximum ease for customers to participate including the expansion of the point-of-purchase delivery method. |
| Markets Targeted | The LIRR Program will target limited income customers who are marginally above the income qualification in LIEE but within 250% of Federal Poverty Guidelines. | Homeowners and renters in lower income/underserved areas | Residential customers. | Residential home owners and renters of single-family homes, condominiums, mobile homes, and attached homes up to a four-plex. |

SDG&E - Program Specific Summaries

| SDGE (Assessment Still in Progress) | Multifamily Rebate Program | Statewide Nonresidential Express Efficiency Program | Small Business Super Saver | Standard Performance Contact (SPC) |
|-------------------------------------|---|--|---|---|
| Short Description | Provides incentive to get measures installed in both common space and in occupants units. | Rebate for prescriptive retrofit measures for commercial customers with a monthly demand of over 100kW or average monthly consumption of 20,800 therms | Rebate for prescriptive retrofit measures for commercial customers with a monthly demand of under 100kW or average monthly consumption of 20,800 therms | A statewide non-residential energy efficiency incentive program for non-prescriptive measures. SPC targets mid to large-sized customers but will accommodate small non-residential customers that cannot be served by other programs. |
| % of IOU Budget | 2.4% | 3.6% | 11.1% | 3.9% |
| MWh | 14 | 49,825 | 157,510 | 36,456 |
| MW | 3.27 | 7.10 | 21.75 | 4.54 |
| Mtherms | 1,166 | 926 | 1,311 | 501 |
| TRC | 2.23 | 1.67 | 2.84 | 2.45 |
| Design & Delivery | Continues effort to go after this very large and largely underserved market via owners, associations, property managers, plumbers and linking to education program efforts. | Long standing program known by larger customers and promoted by vendors. Included incentive to go to demand response measures. Simple rebate systems. | Uses rebates and direct install to capture savings. Reduces incentives from previous programs. Uses prescribed measures. Uses on-bill financing. | Tries to influence project planning to capture energy savings, requires confirmation of savings estimates. |
| Markets Targeted | Residential property owners or managers of residential multifamily properties with two or more units. | Nonresidential customers over 100kW of monthly demand and/or a monthly average natural gas usage of 20,800 therms or above. | Nonresidential customers under 100kW of monthly demand and/or under an average monthly usage of 20,800 therms. | Industrial, commercial, and agricultural customers including manufacturing facilities, office buildings, and retail facilities and governmental facilities are the customers targeted by this program. |

SDG&E - Program Specific Summaries

| SDGE (Assessment Still in Progress) | Energy Savings Bid Program | Savings By Design | Sustainable Communities Program | Advanced Home Program |
|--|---|---|--|---|
| Short Description | An existing local incentive program designed for large commercial or industrial energy-efficiency projects including the military and public agencies. Projects may include large individual sites or an aggregation of smaller sites. Incentives will be provided for design and audit assistance | A statewide non-residential new construction program that promotes integrated design and emphasizes early design involvement by offering building owners and their design teams a wide range of services including education, design assistance, and owner incentives, as well as design team incentives. | Promotes sustainable development that incorporates high performance energy efficiency and demand reduction technologies, along with clean on-site generation, water conservation, transportation efficiencies and waste reduction strategies | A comprehensive residential new construction concept with a cross-cutting focus to sustainable design and construction, green building practices and emerging technologies. |
| % of IOU Budget | 18.3% | 4.9% | 0.6% | 2.4% |
| MWh | 169,459 | 20,660 | 1,699 | 5,154 |
| MW | 34.90 | 4.54 | 0.41 | 5.6 |
| Mtherms | 594 | 351 | 44 | 204 |
| TRC | 2.82 | 2.28 | 1.78 | 2.13 |
| Design & Delivery | ESBP is an incentive program that addresses the market barriers of: (1) higher costs for high energy-efficiency measures, (2) long payback periods for energy-efficiency measures, (3) reluctance to participate in other incentive and rebate programs, (4) unfamiliarity with energy-efficient equipment and technologies, (5) lack of design and audit assistance incentives, and (6) limited flexibility of other programs. Public agencies in particular require a long project approval lead time which presents a time barrier when competing with private industry for incentive funds. | The program targets key "influencers" in the new construction market segment including: architects and designers, property developers and building owners, industry and trade associations, energy consultants and service providers, engineers, building-system contractors, building department inspectors and plan checkers. The program emphasizes intervention with no-cost design assistance and analysis early in the planning and design process and offers a wide range of customized services including education, owner incentives, and design team incentives | SCP will utilize the Account Executives from the new construction statewide programs to explain the program to customers and guide them the best solution for their project. | Program participants will be developed through a team of customer representatives, who, working with the builder and his design team, will evaluate each project and its design for participation. |
| Markets Targeted | The ESBP will target large nonresidential customers, including public agencies that customers that can save a minimum of 500,000 kWh annually. Contractors, vendors and/or project sponsors are also targeted because of their involvement with customers and their retrofit projects. Smaller customers can be combined to meet the minimum kWh program criteria. . | Targets owners, developers, design teams, and contractors. All end-uses in buildings are included within program offerings, as are all end uses found in commercial, governmental, institutional, and industrial or agricultural processes. | Building owners, building contractors, architects, engineering firms, municipalities, and land developers. | Design and construction teams; architects, energy analysts, HERS raters, trade contractors, and residential builders. Market segment is low-rise and high-rise residential new construction with participation is open to all residential new construction including custom homes, single-family production housing, condominiums, town homes and rental apartments |

SDG&E - Program Specific Summaries

| SDGE (Assessment Still in Progress) | On-Bill Financing Pilot Program | Statewide Crosscutting Codes and Standards Program | Statewide Emerging Technologies | Upstream Lighting Program |
|-------------------------------------|--|---|--|--|
| Short Description | Provides easy access to financing energy efficiency measures and incorporate payments into energy bills. | Promotes upgrades and enhancements in energy efficiency standards and codes. | Works to move new commercial introduction of energy-efficient technologies, applications, and analytical tools into the market so they can be used by confirming energy impacts. | Provides rebates to consumers via manufacturer-to-retailer discounts or buy-downs to motivate consumers to purchase and install qualifying energy efficient lighting products. |
| % of IOU Budget | 1.3% | 0.4% | 1.5% | 6.1% |
| MWh | - | - | - | 296,509 |
| MW | - | - | - | 54.49 |
| Mtherms | - | - | - | - |
| TRC | - | - | - | 5.17 |
| Design & Delivery | Linked as an option to other programs. | This program is intended to inform the process of modifying existing or developing new energy efficiency measures. | Standard approach used in the past for new technologies, but coordinated with CEE, ETCC, PIER and the IOUs. | Incentives are provided to the customer through a discounted price or a discount at the register so there is no application needed |
| Markets Targeted | Targets certain multifamily, small commercial customers (20-100 kW) and local government facilities. | Equipment manufacturers, standards enforcement agencies, government institutions, agencies responsible for standard enforcement such as building departments, architects, engineers, designers, and building industry associations, among others. | New technology across markets. | Targets customers who shop at home improvement, grocery and drug stores such as single-family homeowners, renters and multi-family tenants as well as some apartment and small business owners |

SDG&E - Program Specific Summaries

| SDGE (Assessment Still in Progress) | City of Chula Vista Partnership | City of San Diego Partnership | County of San Diego Partnership | SD Energy Resource Center |
|--|--|---|---|--|
| Short Description | A partnership between SDG&E, and the City of Chula Vista. The program aims to enable Chula Vista, residents, developers, and Southbay cities to implement energy efficiency and conservation measures by overcoming existing barriers. The program also aims to increase public awareness about energy efficiency and conservation through non-traditional education and outreach outlets and channels used by cities and the County. | A partnership between SDG&E, and the City of San Diego. The program aims to enable San Diego, residents, developers to implement energy efficiency and conservation measures by overcoming existing barriers. The program also aims to increase public awareness about energy efficiency and conservation through non-traditional education and outreach outlets and channels used by cities and the County. | A partnership between SDGE and the County of San Diego that targets small and large commercial county government facilities and county residential public housing units as well as promotion of the County's Green Building Program to business and commercial property owners that work with the County of San Diego's (County) Department of Planning and Land Use (DPLU). | A collaborative effort between SDREO's Energy Resource Center and SDG&E's statewide Education and Training Program. SDERC is a local program that provides energy efficiency information, education and outreach. The combined program will serve both the residential and non-residential sectors. |
| % of IOU Budget | 0.8% | 1.0% | 1.0% | 1.5% |
| MWh | 3,833 | 3,833 | - | - |
| MW | 0.40 | 0.40 | - | - |
| Mtherms | 110 | 109.78 | - | - |
| TRC | 0.89 | 0.83 | - | - |
| Design & Delivery | Will coordinate internally with city staff to develop and implement retrofit projects for City facilities, with SDREO, SDG&E; cities and the County to develop and place the mobile ECO Exhibits in high traffic locations; with SDG&E and the City's Planning and Building staff to streamline the City's plan review and permitting process application for condominium conversions projects; and will develop a series of four workshops per year to assist cities develop individual strategic plans to manage their energy use and budget more effectively. | Will coordinate internally with city staff to develop and implement retrofit projects for City facilities, with SDREO, SDG&E; cities and the County to develop and place educational exhibits in high traffic locations; with SDG&E and the City's Planning and Building staff to streamline the City's plan review and permitting process application for condominium conversions projects; and will develop a series of four workshops per year to assist cities develop individual strategic plans to manage their energy use and budget more effectively. | The County's program will facilitate energy project and demand response implementation at County facilities and public housing units, coordinate an on-bill financing pilot project development and implementation, provide peer-to-peer education to other local governments, and promote energy efficiency in County facilities to County staff along with county-wide energy efficiency promotion for public and private entities. | The program will provide education and outreach through direct customer related activities include workshops, training, on-line resources and promotional events. Technical Assistance sessions with individual customers will provide follow-up information for appropriate implementation as customers research ideas learned during SDERC programs. |
| Markets Targeted | Targets city facilities and staff, residents, condominium conversion developers, Southbay cities in San Diego County are eligible to participate in programs. | Targets city facilities and staff, residents, condominium conversion developers, Southbay cities in San Diego County are eligible to participate in programs. | County staff along with residential and business customers located in areas served by the County's DPLU. | Targets local, state and federal agencies, local institutions and schools, architectural and engineering firms, manufacturers, contractors and distributors, commercial food service operations, technical, trade and vendor businesses, building owners, and facility managers. |

SDG&E - Program Specific Summaries

| SDGE (Assessment Still in Progress) | UC CSU Partnership | Community College Partnership | Department of Corrections Partnership | San Diego Co. Water Authority Partnership |
|--|--|--|--|---|
| Short Description | The SDG&E, University of California and California State University (SDG&E/UC/CSU) program is an existing statewide nonresidential program that will continue in the 2006 through 2008. The program will continue to offer incentives for retrofit projects, continuous commissioning, and educational training for campus energy managers | The SDG&E/California Community Colleges program is a new statewide nonresidential program that will be very similar to the existing SDG&E UC/CSU Partnership program. The program will offer incentives for retrofit and new construction projects, continuous commissioning, and educational training for the community colleges. | The SDG&E/California Department of Corrections program is a new statewide nonresidential program that will be very similar to the existing SDG&E UC/CSU Partnership program. The program will offer incentives for retrofit projects, continuous commissioning, and educational training for the prisons and youth facilities. | The high-efficiency clothes washer component of the Voucher Incentive Program offers point-of-purchase vouchers to encourage consumers to purchase high-efficiency clothes washers. Water customers of participating water agencies are eligible as long as vouchers are available for those agencies. Vouchers are provided to single-family and multi-family (in unit only) residences. |
| % of IOU Budget | 2.2% | 2.2% | 0.4% | 0.8% |
| MWh | 160,994 | 12,141 | 3,579 | - |
| MW | 1.96 | 1.86 | 0.58 | - |
| Mtherms | 470 | 470 | 29 | 593 |
| TRC | 2.03 | 2.37 | 2.72 | 0.13 |
| Design & Delivery | The partnership will include coordination with other energy efficiency programs and ongoing campus projects; Energy Efficiency Retrofit Program Element Implementation (including project selection and implementation); Facility Monitoring Based Commissioning Implementation; and Energy Efficiency Education and Best Practices Development and Training Implementation. | The partnership will include coordination with other energy efficiency programs and ongoing campus projects; Energy Efficiency Retrofit Program Element Implementation (including project selection and implementation); Facility Monitoring Based Commissioning Implementation; and Energy Efficiency Education and Best Practices Development and Training Implementation. | The partnership will include coordination with other energy efficiency programs and ongoing campus projects; Energy Efficiency Retrofit Program Element Implementation (including project selection and implementation); Facility Monitoring Based Commissioning Implementation; and Energy Efficiency Education and Best Practices Development and Training Implementation. | Customer can obtain instant point-of-purchase vouchers at the Dealer by calling the Voucher Processing Center and requesting a voucher. In most cases, the voucher will be faxed directly to the store within 30 minutes to be used immediately. The customer does not have to deal with filling out paperwork and submitting for an after-purchase rebate. Information is also provided by the individual water agencies through billings and newsletters. The Water Authority and most of the participating retail water agencies have information on the respective web sites. |
| Markets Targeted | The customer is the UC/CSU campus facilities in the four IOU service areas. | The program will be offered to all California Community College campus facilities in the four IOU service areas. | The CDC institutional campus facilities in the four IOU service areas | Single-family and multi-family (in unit) for residential washers. Laundromats and multi-family common use laundries for coin-operated machines. |

SCG - Program Specific Summaries

| SDGE (Assessment Still in Progress) | Single Family Home Energy Efficiency Retrofit Program | Multifamily Energy Efficiency Retrofit Program | Home Energy Efficiency Survey |
|--|--|---|---|
| Short Description | An existing statewide program designed to help residential customers reduce their natural gas energy usage by replacing inefficient appliances with new energy-efficient appliances and weatherizing their homes | Targets property owners and managers with multifamily residential dwellings, homeowners associations and mobile home park associations. The program encourages property owners and managers to install qualifying energy efficiency products in individual tenant units and common areas for residential apartments, mobile home parks and condominium complexes. | An existing statewide program that provides residential customers the opportunity to participate in mail-in, online, and in-home analysis of their home energy use. |
| % of IOU Budget | 10.7% | 5.2% | 1.0% |
| MWh | 30,641.75 | 701.28 | - |
| MW | 12.73 | 0.42 | - |
| Mtherms | 5,604.07 | 4,113.66 | - |
| TRC | 1.42 | 1.37 | - |
| Design & Delivery | Rebates for installation of energy efficient natural gas measures. | Expansion of current effort. Includes outreach and incentives to distributors, contractors, and others for MF installation, Includes utility program staff outreach liaison with large property managers and other actors in this market to expand program effort. | Continuation of current effort. Multilingual surveys marketed for Mail-In. Marketing of On-Line from web site and others. In-Home available upon request. |
| Markets Targeted | Residential home owners and renters of single-family homes, condominiums, mobile homes, and attached homes up to a four-plex. | Residential Multifamily Property Owners of two or more dwelling units, Home Owner Associations, Mobile Home Park Associations and other similarly defined housing. | Residential, hard-to-reach, and customer usage inquiries. |

| Statewide Nonresidential Express Efficiency Program | Local Business Energy Efficiency Program (BEEP) | SoCalGas/SCE Joint Savings By Design (SBD) Program | SoCalGas/Municipal Electric Utility Collaborative Savings By Design (SBD) Program |
|---|---|--|---|
| Continuation and expansion of statewide Express Efficiency Program and collapsed statewide Nores. Audit into it. | Custom local non-residential incentive programs. Includes local non-residential rebates for measures not covered by other programs." | Based on prior SBD effort, funds gas measures with electric measures by SCE, whole building and systems approach | Based on prior SBD effort, funds gas measures with electric measures by Municipal Electric Utilities, whole building and systems approach |
| 12.1% | 14.7% | 4.1% | 1.6% |
| - | - | - | - |
| - | - | - | - |
| 11,409.12 | 18,081.00 | 5,291.47 | 3,016.65 |
| 1.96 | 2.89 | 1.71 | 2.10 |
| Long standing program known by larger customers and promoted by vendors. Outreach for promotion by vendors, contractors, distributors, and mfg. Added more outreach, use of CBOs and FBOs, incentives for bldg owners, ability for ON-Bill Financing pilot, and small grass-roots outreach in rural areas. Includes bulk purchase initiative. | Direct promotion by utility reps. Rebate effort based on outreach for promotion by vendors, mfg., distributors, contractors. Includes new Grant effort to encourage innovative projects from largest customers. | Program works early with projects, architect, designers, workshops, education to encourage whole bldg approach. | Program works early with projects, architect, designers, workshops, education to encourage whole bldg approach |
| Targets all nonresidential customers. | Targets all nonresidential customers. | New Nonresidential Construction | New Nonresidential Construction |

| Sustainable Communities-Santa Monica Demonstration Program | Advanced Home Program | Statewide Crosscutting Codes and Standards | Statewide Emerging Technologies |
|---|--|--|---|
| <p>Joint effort with SCG, SCE the Energy Division, and the City of Santa Monica for more efficient and sustainable communities that include efficiency, transportation, gray water use etc.</p> | <p>A comprehensive residential new construction concept with a cross-cutting focus to sustainable design and construction, green building practices and emerging technologies.</p> | <p>Promotes upgrades and enhancements in energy efficiency standards and codes.</p> | <p>Works to move new commercial introduction of energy-efficient technologies, applications, and analytical tools into the market so they can be used by confirming energy impacts.</p> |
| 0.5% | 4.8% | 0.5% | 1.6% |
| 7.31 | 5,634.52 | - | - |
| 0.01 | 6.18 | - | - |
| 202.04 | 220.49 | - | - |
| 0.94 | 1.21 | - | - |
| <p>A local program designed to promote sustainable development, showcase energy-efficient design and building practices, and encourage local developers to incorporate clean on-site energy generation systems in their multifamily and commercial new construction projects.</p> | <p>Program participants will be developed through a team of customer representatives, who, working with the builder and his design team, will evaluate each project and its design for participation.</p> | <p>This program is intended to inform the process of modifying existing or developing new energy efficiency measures.</p> | <p>Standard approach used in the past for new technologies, but coordinated with CEE, ETCC, PIER and the IOUs.</p> |
| <p>The target audience will include building owners, building contractors, architects, engineering firms, municipalities, land developers, new construction public buildings, schools, office buildings, retail, and multi-family housing.</p> | <p>Design and construction teams; architects, energy analysts, HERS raters, trade contractors, and residential builders. Market segment is low-rise and high-rise residential new construction with participation is open to all residential new construction including custom homes, single-family production housing, condominiums, town homes and rental apartments</p> | <p>Equipment manufacturers, standards enforcement agencies, government institutions, agencies responsible for standard enforcement such as building departments, architects, engineers, designers, and building industry associations, among others.</p> | <p>New technology across markets.</p> |

| On-Bill Financing Program | SoCalGas Energy Efficiency Delivery Channel Innovation Program | Energy Efficiency Education and Training Program | SoCalGas Energy Efficiency Collaborations |
|---|---|--|--|
| Pilot test of on-bill financing for efficiency investments to compliment other programs. | A cross-cutting marketing program that will increase customer understanding of the SoCalGas energy efficiency portfolio and make adoption of energy efficiency measures and practices easier. | Promotes energy efficiency to a variety of customers segments through energy centers and other informational programs. | The Collaborations are not yet being defined for SCG. These will be designed and negotiated after the third party competitive bid program. |
| 2.1% | 3.3% | 1.6% | 6.6% |
| - | - | - | - |
| - | - | - | - |
| - | - | 1,145.00 | - |
| - | - | 0.80 | - |
| Linked as an option to other programs. | On-Line Outreach, Umbrella Advertising, Grass-Roots Outreach. Includes many Peer Review Group (PRG) recommendations for new homebuyer "Welcome" packet, purchasing plan for residential & small businesses, CBO/FBO use, and advertising. | Program awareness is attained via both electronic and "hard" collateral targeted directly to customers, via field personnel, or through collaborative efforts with trade associations, municipalities, and government entities. | |
| Targets certain multifamily, small commercial customers, and local government facilities. | Targets consumers and upstream/midstream actors in the Residential, Non-residential, New Construction, Partnerships/Collaborations segments. This includes Hard-to-Reach audiences. | Promotes energy efficiency to virtually all market segments and customer types; commercial and industrial customers, midstream actors such as the design, engineering and contracting communities, distributors, manufacturers, facilities managers/building operators and residential midstream/upstream market actors. | |

Summary Table of Projected Portfolio Impacts by Year

| | 2006 | | 2007 | | 2008 | | 2006-8 | |
|---|--------|----------------|--------|----------------|--------|----------------|---------|------------------|
| | Total | % of 2006 Goal | Total | % of 2007 Goal | Total | % of 2008 Goal | Total | % of 2006-8 Goal |
| SDG&E Energy Savings | | | | | | | | |
| Annual Net Electricity Savings (GWh/yr) | 307 | 109% | 337 | 118% | 378 | 133% | 1,022 | 120% |
| <i>CPUC Electricity Target (GWh/yr)</i> | 281 | 0% | 285 | 0% | 284 | 0% | 850 | |
| Annual Net Peak Demand Savings (MW) | 63 | 116% | 70 | 130% | 80 | 147% | 213 | 131% |
| <i>CPUC Peak Demand Target (MW)</i> | 55 | 0% | 54 | 0% | 54 | 0% | 163 | |
| Annual Net Therm Savings (MTh/yr) | 2,775 | 103% | 3,069 | 99% | 3,693 | 100% | 9,537 | 100% |
| <i>CPUC Therm Target (MTh/yr)</i> | 2,700 | 0% | 3,100 | 0% | 3,700 | 0% | 9,500 | |
| SCG Energy Savings | | | | | | | | |
| Annual Net Electricity Savings (GWh/yr) | 10 | 0% | 13 | 0% | 13 | 0% | 37 | |
| <i>CPUC Electricity Target (GWh/yr)</i> | 0 | 0% | 0 | 0% | 0 | 0% | 0 | |
| Annual Net Peak Demand Savings (MW) | 6 | 0% | 7 | 0% | 6 | 0% | 19 | |
| <i>CPUC Peak Demand Target (MW)</i> | 0 | 0% | 0 | 0% | 0 | 0% | 0 | |
| Annual Net Therm Savings (MTh/yr) | 15,790 | 107% | 20,621 | 107% | 24,285 | 104% | 60,696 | 106% |
| <i>CPUC Therm Target (MTh/yr)</i> | 14,700 | 0% | 19,300 | 0% | 23,300 | 0% | 57,300 | |
| SCE Energy Savings | | | | | | | | |
| Annual Net Electricity Savings (GWh/yr) | 1,002 | 109% | 1,121 | 107% | 1,168 | 100% | 3,292 | 105% |
| <i>CPUC Electricity Target (GWh/yr)</i> | 922 | 0% | 1,046 | 0% | 1,167 | 0% | 3,135 | |
| Annual Net Peak Demand Savings (MW) | 218 | 105% | 243 | 107% | 253 | 100% | 714 | 104% |
| <i>CPUC Peak Demand Target (MW)</i> | 207 | 0% | 227 | 0% | 253 | 0% | 687 | |
| Annual Net Therm Savings (MTh/yr) | 0 | 0% | 0 | 0% | 0 | 0% | 0 | |
| <i>CPUC Therm Target (MTh/yr)</i> | 0 | 0% | 0 | 0% | 0 | 0% | 0 | |
| PG&E Energy Savings | | | | | | | | |
| Annual Net Electricity Savings (GWh/yr) | 876 | 106% | 996 | 106% | 1,149 | 109% | 3,020 | 107% |
| <i>CPUC Electricity Target (GWh/yr)</i> | 829 | 0% | 944 | 0% | 1,053 | 0% | 2,826 | |
| Annual Net Peak Demand Savings (MW) | 167 | 93% | 185 | 90% | 211 | 93% | 562 | 92% |
| <i>CPUC Peak Demand Target (MW)</i> | 180 | 0% | 205 | 0% | 228 | 0% | 613 | |
| Annual Net Therm Savings (MTh/yr) | 15,082 | 120% | 17,027 | 114% | 19,647 | 113% | 51,756 | 115% |
| <i>CPUC Therm Target (MTh/yr)</i> | 12,600 | 0% | 14,900 | 0% | 17,400 | 0% | 44,900 | |
| Statewide Energy Savings | | | | | | | | |
| Annual Net Electricity Savings (GWh/yr) | 2,195 | 108% | 2,468 | 108% | 2,708 | 108% | 7,371 | 108% |
| <i>CPUC Electricity Target (GWh/yr)</i> | 2,032 | 0% | 2,275 | 0% | 2,504 | 0% | 6,811 | |
| Annual Net Peak Demand Savings (MW) | 453 | 103% | 505 | 104% | 551 | 103% | 1,509 | 103% |
| <i>CPUC Peak Demand Target (MW)</i> | 442 | 0% | 486 | 0% | 535 | 0% | 1,463 | |
| Annual Net Therm Savings (MTh/yr) | 33,648 | 112% | 40,716 | 109% | 47,625 | 107% | 121,989 | 109% |
| <i>CPUC Therm Target (MTh/yr)</i> | 30,000 | 0% | 37,300 | 0% | 44,400 | 0% | 111,700 | |

| PG&E Authorized PY 2004 & 2005 Budget (PGC & Procurement) ¹ | Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|----------------------|----------------------------------|-------------------------------|
| Programs with Reported Savings (2004-2005) | | | |
| Appliance Recycling, Single Family EE Rebates, Multi-Ffamily EE Rebates, Express Efficiency, 500 Plus, Upstream HVAC, Local Government Partnership (30%) | \$117,299,677 | 34.27% | 33.55% |
| Standard Performance Contract | \$37,740,630 | 11.02% | 10.80% |
| Savings By Design | \$39,772,725 | 11.62% | 11.38% |
| Schools Resource | \$2,152,168 | 0.63% | 0.62% |
| Local Government Partnership (70%) ² | \$23,778,022 | 6.95% | 6.80% |
| Non-utility Programs & Utility Contract Administration Fee ² | \$64,752,971 | 18.92% | 18.52% |
| CA Energy Star New Homes | \$11,219,913 | 3.28% | 3.21% |
| Programs without Reported Savings (2004-2005) | | | |
| Statewide Marketing and Information Program | \$17,965,588 | 5.25% | 5.14% |
| Emerging Technology | \$2,382,013 | 0.70% | 0.68% |
| Audits, BOC, Energenius, FSTC, HEES, PEC, Education & Training | \$22,310,979 | 6.52% | 6.38% |
| Codes and Standards | \$2,950,657 | 0.86% | 0.84% |
| Total PG&E Program Budget | \$342,325,343 | 100.00% | 97.92% |
| Total PG&E EM&V Budget | \$7,283,659 | | 2.08% |
| Total PG&E Portfolio Budget | \$349,609,002 | 100.00% | 100.00% |

| PG&E Proposed Program Portfolio | Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|----------------------|----------------------------------|-------------------------------|
| Programs with Reported Savings (2006-2008) | | | |
| Mass Market | \$450,928,124 | 51.98% | 47.82% |
| Industrial | \$121,840,379 | 14.05% | 12.92% |
| Agricultural and Food Processing | \$47,523,131 | 5.48% | 5.04% |
| Commercial (Office Buildings) | \$36,899,055 | 4.25% | 3.91% |
| Medical | \$28,419,024 | 3.28% | 3.01% |
| Retail | \$18,868,784 | 2.18% | 2.00% |
| High Technology | \$19,337,223 | 2.23% | 2.05% |
| Schools, Colleges, and Universities | \$18,391,870 | 2.12% | 1.95% |
| Hospitality (Lodging) | \$5,975,472 | 0.69% | 0.63% |
| Residential New Construction | \$36,046,067 | 4.16% | 3.82% |
| Programs without Reported Savings (2006-2008) | | | |
| Statewide Marketing and Information Program | \$26,948,382 | 3.11% | 2.86% |
| Emerging Technologies | \$11,260,377 | 1.30% | 1.19% |
| Education and Training | \$40,394,601 | 4.66% | 4.28% |
| Codes and Standards | \$4,635,754 | 0.53% | 0.49% |
| Total PG&E Program Budget | \$867,468,243 | 100.00% | 92.00% |
| Total PG&E EM&V Budget | \$75,432,017 | | 8.00% |
| Total PG&E Portfolio Budget | \$942,900,260 | 100.00% | 100.00% |

¹ PY 2004 & 2005 Program Budgets reflect the following: 1) CPUC allocated funding authorized in Decision (D.) 03-12-060 and D. 04-02-059; 2) incremental Gas Funding for PY 2005 authorized in D. 04-12-019; 3) ALJ Ruling to shift funds to PY04/05 SF Rebate program from prior years; 4) ALJ Ruling to shift funds to PY 2005 MF Rebate program and PY 2005 SVEP from prior years, and 5) other fund-shifting activities within CPUC guidelines.

² PY 2004/2005 Local Government Partnership and Non-utility program portfolio include savings and non-savings programs.

| PG&E Authorized PY 2004 Budget (PGC & Procurement)¹ | Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|----------------------|---|--|
| Programs with Reported Savings (2004) | | | |
| Appliance Recycling, Single Family EE Rebates, Multi-Ffamily EE Rebates, Express Efficiency, 500 Plus, Upstream HVAC, Local Government Partnership (30%) | \$46,868,123 | 30.55% | 29.84% |
| Standard Performance Contract | \$17,124,934 | 11.16% | 10.90% |
| Savings By Design | \$16,413,959 | 10.70% | 10.45% |
| Schools Resource | \$1,076,084 | 0.70% | 0.69% |
| Local Government Partnership (70%) ² | \$11,889,011 | 7.75% | 7.57% |
| Non-utility Programs & Utility Contract Administration Fee ² | \$32,014,636 | 20.87% | 20.38% |
| | | | |
| | | | |
| CA Energy Star New Homes | \$5,609,957 | 3.66% | 3.57% |
| Programs without Reported Savings (2004) | | | |
| Statewide Marketing and Information Program | \$8,982,794 | 5.85% | 5.72% |
| Emerging Technology | \$1,191,007 | 0.78% | 0.76% |
| Audits, BOC, Energenius, FSTC, HEES, PEC, Education & Training | \$10,780,490 | 7.03% | 6.86% |
| Codes and Standards | \$1,475,329 | 0.96% | 0.94% |
| Total PG&E Program Budget | \$153,426,322 | 100.00% | 97.68% |
| Total PG&E EM&V Budget | \$3,641,830 | | 2.32% |
| Total PG&E Portfolio Budget | \$157,068,151 | 100.00% | 100.00% |

¹ PY 2004 & 2005 Program Budgets reflect the following: 1) CPUC allocated funding authorized in Decision (D.) 03-12-060 and D. 04-02-059; 2) incremental Gas Funding for PY 2005 authorized in D. 04-12-019; 3) ALJ Ruling to shift funds to PY04/05 SF Rebate program from prior years; 4) ALJ Ruling to shift funds to PY 2005 MF Rebate program and PY 2005 SVEP from prior years, and 5) other fund-shifting activities within CPUC guidelines.

² PY 2004/2005 Local Government Partnership and Non-utility program portfolio include savings and non-savings programs.

| PG&E Authorized PY 2005 Budget (PGC & Procurement)¹ | Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|----------------------|---|--|
| Programs with Reported Savings (2005) | | | |
| Appliance Recycling, Single Family EE Rebates, Multi-Ffamily EE Rebates, Express Efficiency, 500 Plus, Upstream HVAC, Local Government Partnership (30%) | \$70,431,554 | 37.29% | 36.58% |
| Standard Performance Contract | \$20,615,696 | 10.91% | 10.71% |
| Savings By Design | \$23,358,766 | 12.37% | 12.13% |
| Schools Resource | \$1,076,084 | 0.57% | 0.56% |
| Local Government Partnership (70%) ² | \$11,889,011 | 6.29% | 6.17% |
| Non-utility Programs & Utility Contract Administration Fee ² | \$32,738,336 | 17.33% | 17.00% |
| | | | |
| | | | |
| CA Energy Star New Homes | \$5,609,957 | 2.97% | 2.91% |
| Programs without Reported Savings (2005) | | | |
| Statewide Marketing and Information Program | \$8,982,794 | 4.76% | 4.67% |
| Emerging Technology | \$1,191,007 | 0.63% | 0.62% |
| Audits, BOC, Energenius, FSTC, HEES, PEC, Education & Training | \$11,530,490 | 6.10% | 5.99% |
| Codes and Standards | \$1,475,329 | 0.78% | 0.77% |
| Total PG&E Program Budget | \$188,899,022 | 100.00% | 98.11% |
| Total PG&E EM&V Budget | \$3,641,830 | | 1.89% |
| Total PG&E Portfolio Budget | \$192,540,851 | 100.00% | 100.00% |

¹ PY 2004 & 2005 Program Budgets reflect the following: 1) CPUC allocated funding authorized in Decision (D.) 03-12-060 and D. 04-02-059; 2) incremental Gas Funding for PY 2005 authorized in D. 04-12-019; 3) ALJ Ruling to shift funds to PY04/05 SF Rebate program from prior years; 4) ALJ Ruling to shift funds to PY 2005 MF Rebate program and PY 2005 SVEP from prior years, and 5) other fund-shifting activities within CPUC guidelines.

² PY 2004/2005 Local Government Partnership and Non-utility program portfolio include savings and non-savings programs.

| PG&E Proposed Program Portfolio | Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|----------------------|---|--|
| Programs with Reported Savings (2006) | | | |
| Mass Market | \$120,460,077 | 49.24% | 45.30% |
| Industrial | \$38,789,723 | 15.85% | 14.59% |
| Agricultural and Food Processing | \$13,986,001 | 5.72% | 5.26% |
| Commercial (Office Buildings) | \$10,510,686 | 4.30% | 3.95% |
| Medical | \$7,575,132 | 3.10% | 2.85% |
| Retail | \$5,148,264 | 2.10% | 1.94% |
| High Technology | \$4,870,934 | 1.99% | 1.83% |
| Schools, Colleges, and Universities | \$4,510,204 | 1.84% | 1.70% |
| Hospitality (Lodging) | \$1,581,996 | 0.65% | 0.59% |
| Residential New Construction | \$9,944,239 | 4.06% | 3.74% |
| Programs without Reported Savings (2006) | | | |
| Statewide Marketing and Information Program | \$8,982,794 | 3.67% | 3.38% |
| Emerging Technologies | \$3,672,000 | 1.50% | 1.38% |
| Education and Training | \$13,117,200 | 5.36% | 4.93% |
| Codes and Standards | \$1,504,500 | 0.61% | 0.57% |
| Total PG&E Program Budget | \$244,653,750 | 100.00% | 92.00% |
| Total PG&E EM&V Budget | \$21,274,235 | | 8.00% |
| Total PG&E Portfolio Budget | \$265,927,985 | 100.00% | 100.00% |

| PG&E Proposed Program Portfolio | Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|----------------------|---|--|
| Programs with Reported Savings (2007) | | | |
| Mass Market | \$148,674,656 | 53.21% | 48.95% |
| Industrial | \$40,178,257 | 14.38% | 13.23% |
| Agricultural and Food Processing | \$14,861,500 | 5.32% | 4.89% |
| Commercial (Office Buildings) | \$11,342,972 | 4.06% | 3.73% |
| Medical | \$7,925,714 | 2.84% | 2.61% |
| Retail | \$5,667,321 | 2.03% | 1.87% |
| High Technology | \$5,136,153 | 1.84% | 1.69% |
| Schools, Colleges, and Universities | \$4,448,700 | 1.59% | 1.46% |
| Hospitality (Lodging) | \$1,860,632 | 0.67% | 0.61% |
| Residential New Construction | \$11,690,504 | 4.18% | 3.85% |
| Programs without Reported Savings (2007) | | | |
| Statewide Marketing and Information Program | \$8,982,794 | 3.21% | 2.96% |
| Emerging Technologies | \$3,745,440 | 1.34% | 1.23% |
| Education and Training | \$13,379,544 | 4.79% | 4.41% |
| Codes and Standards | \$1,534,590 | 0.55% | 0.51% |
| Total PG&E Program Budget | \$279,428,777 | 100.00% | 92.00% |
| Total PG&E EM&V Budget | \$24,298,155 | | 8.00% |
| Total PG&E Portfolio Budget | \$303,726,932 | 100.00% | 100.00% |

| PG&E Proposed Program Portfolio | Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|----------------------|---|--|
| Programs with Reported Savings (2008) | | | |
| Mass Market | \$181,793,391 | 52.94% | 48.71% |
| Industrial | \$42,872,399 | 12.49% | 11.49% |
| Agricultural and Food Processing | \$18,675,630 | 5.44% | 5.00% |
| Commercial (Office Buildings) | \$15,045,397 | 4.38% | 4.03% |
| Medical | \$12,918,178 | 3.76% | 3.46% |
| Retail | \$8,053,199 | 2.35% | 2.16% |
| High Technology | \$9,330,136 | 2.72% | 2.50% |
| Schools, Colleges, and Universities | \$9,432,966 | 2.75% | 2.53% |
| Hospitality (Lodging) | \$2,532,844 | 0.74% | 0.68% |
| Residential New Construction | \$14,411,324 | 4.20% | 3.86% |
| Programs without Reported Savings (2008) | | | |
| Statewide Marketing and Information Program | \$8,982,794 | 2.62% | 2.41% |
| Emerging Technologies | \$3,842,937 | 1.12% | 1.03% |
| Education and Training | \$13,897,857 | 4.05% | 3.72% |
| Codes and Standards | \$1,596,664 | 0.46% | 0.43% |
| Total PG&E Program Budget | \$343,385,716 | 100.00% | 92.00% |
| Total PG&E EM&V Budget | \$29,859,627 | | 8.00% |
| Total PG&E Portfolio Budget | \$373,245,343 | 100.00% | 100.00% |

| SCG Program | 2005 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|---------------|----------------------------------|-------------------------------|
| Programs Reporting Energy and Demand Savings | | | |
| Multi-Family Rebate Program | \$ 2,276,845 | 9% | 9% |
| Advanced Home Program | \$ 1,930,000 | 8% | 8% |
| Third Party Programs * | | 0% | 0% |
| Education & Training Program | \$ 1,791,657 | 7% | 7% |
| Express Efficiency Rebate Program | \$ 4,133,929 | 17% | 16% |
| Local Business Energy Efficiency Program | \$ 2,468,093 | 10% | 10% |
| Home Efficiency Rebate Program | \$ 6,072,545 | 25% | 24% |
| Savings By Design SCG SCE Program | \$ 2,234,000 | 9% | 9% |
| Savings By Design SCG Muni Program * | | 0% | 0% |
| Sustainable Communities Demo/City of Santa Monica * | | 0% | 0% |
| Programs without Reported Savings | | | |
| Home Energy Efficiency Survey | \$ 274,000 | 1% | 1% |
| Codes & Standards Program | \$ 150,000 | 1% | 1% |
| Energy Efficiency Delivery Channel Innovation Prog * | | 0% | 0% |
| Emerging Tech Program | \$ 753,000 | 3% | 3% |
| Statewide Marketing & Outreach * | | 0% | 0% |
| On-Bill Financing for Energy Efficiency Equipment * | | 0% | 0% |
| Partnership Programs | \$ 2,487,601 | 10% | 10% |
| Total SCG Program Budget | \$ 24,571,670 | | |
| Total SCG EM&V Budget | \$ 1,037,000 | | |
| Total SCG Portfolio Budget | \$ 25,608,670 | | |

* New Programs for 2006-2008

| SCG Program | 2006 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|--------------------|---|--|
| Programs Reporting Energy and Demand Savings | | | |
| Multi-Family Rebate Program | \$ 2,500,000 | 6% | 5% |
| Advanced Home Program | \$ 2,250,000 | 5% | 5% |
| Third Party Programs * | \$ 8,864,589 | 20% | 19% |
| Education & Training Program | \$ 1,800,000 | 4% | 4% |
| Express Efficiency Rebate Program | \$ 5,308,050 | 12% | 11% |
| Local Business Energy Efficiency Program | \$ 6,137,264 | 14% | 13% |
| Home Efficiency Rebate Program | \$ 4,500,000 | 10% | 9% |
| Savings By Design SCG SCE Program | \$ 1,500,000 | 3% | 3% |
| Savings By Design SCG Muni Program * | \$ 1,000,000 | 2% | 2% |
| Sustainable Communities Demo/City of Santa Monica * | \$ 300,000 | 1% | 1% |
| Programs without Reported Savings | | | |
| Home Energy Efficiency Survey | \$ 600,000 | 1% | 1% |
| Codes & Standards Program | \$ 300,000 | 1% | 1% |
| Energy Efficiency Delivery Channel Innovation Prog * | \$ 1,000,000 | 2% | 2% |
| Emerging Tech Program | \$ 1,000,000 | 2% | 2% |
| Statewide Marketing & Outreach * | \$ 2,013,043 | 5% | 4% |
| On-Bill Financing for Energy Efficiency Equipment * | \$ 1,250,000 | 3% | 3% |
| Partnership Programs | \$ 4,000,000 | 9% | 8% |
| Total SCG Program Budget | \$ 44,322,946 | | |
| Total SCG EM&V Budget | \$ 3,345,836 | | |
| Total SCG Portfolio Budget | \$ 47,668,782 | | |

* New Programs for 2006-2008

| SCG Program | 2007 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|--------------------|---|--|
| Programs Reporting Energy and Demand Savings | | | |
| Multi-Family Rebate Program | \$ 3,000,000 | 5% | 5% |
| Advanced Home Program | \$ 3,000,000 | 5% | 5% |
| Third Party Programs * | \$ 11,316,537 | 20% | 19% |
| Education & Training Program | \$ 2,300,000 | 4% | 4% |
| Express Efficiency Rebate Program | \$ 7,678,996 | 14% | 13% |
| Local Business Energy Efficiency Program | \$ 9,324,108 | 16% | 15% |
| Home Efficiency Rebate Program | \$ 6,000,000 | 11% | 10% |
| Savings By Design SCG SCE Program | \$ 2,500,000 | 4% | 4% |
| Savings By Design SCG Muni Program * | \$ 1,000,000 | 2% | 2% |
| Sustainable Communities Demo/City of Santa Monica * | \$ 300,000 | 1% | 0% |
| Programs without Reported Savings | | | |
| Home Energy Efficiency Survey | \$ 600,000 | 1% | 1% |
| Codes & Standards Program | \$ 300,000 | 1% | 0% |
| Energy Efficiency Delivery Channel Innovation Prog * | \$ 1,000,000 | 2% | 2% |
| Emerging Tech Program | \$ 1,000,000 | 2% | 2% |
| Statewide Marketing & Outreach * | \$ 2,013,043 | 4% | 3% |
| On-Bill Financing for Energy Efficiency Equipment * | \$ 1,250,000 | 2% | 2% |
| Partnership Programs | \$ 4,000,000 | 7% | 7% |
| Total SCG Program Budget | \$ 56,582,684 | | |
| Total SCG EM&V Budget | \$ 4,526,615 | | |
| Total SCG Portfolio Budget | \$ 61,109,299 | | |

* New Programs for 2006-2008

| SCG Program | 2008 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|--------------------|---|--|
| Programs Reporting Energy and Demand Savings | | | |
| Multi-Family Rebate Program | \$ 4,000,000 | 6% | 5% |
| Advanced Home Program | \$ 3,500,000 | 5% | 5% |
| Third Party Programs * | \$ 13,603,201 | 20% | 19% |
| Education & Training Program | \$ 2,350,000 | 3% | 3% |
| Express Efficiency Rebate Program | \$ 9,114,191 | 13% | 12% |
| Local Business Energy Efficiency Program | \$ 11,385,568 | 17% | 15% |
| Home Efficiency Rebate Program | \$ 9,000,000 | 13% | 12% |
| Savings By Design SCG SCE Program | \$ 3,500,000 | 5% | 5% |
| Savings By Design SCG Muni Program * | \$ 1,000,000 | 1% | 1% |
| Sustainable Communities Demo/City of Santa Monica * | \$ 300,000 | 0% | 0% |
| Programs without Reported Savings | | | |
| Home Energy Efficiency Survey | \$ 700,000 | 1% | 1% |
| Codes & Standards Program | \$ 300,000 | 0% | 0% |
| Energy Efficiency Delivery Channel Innovation Prog * | \$ 1,000,000 | 1% | 1% |
| Emerging Tech Program | \$ 1,000,000 | 1% | 1% |
| Statewide Marketing & Outreach * | \$ 2,013,043 | 3% | 3% |
| On-Bill Financing for Energy Efficiency Equipment * | \$ 1,250,000 | 2% | 2% |
| Partnership Programs | \$ 4,000,000 | 6% | 5% |
| Total SCG Program Budget | \$ 68,016,003 | | |
| Total SCG EM&V Budget | \$ 5,441,280 | | |
| Total SCG Portfolio Budget | \$ 73,457,283 | | |

* New Programs for 2006-2008

| SCG Program | 2005 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) | 2006-8 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|--|---------------|----------------------------------|-------------------------------|----------------|----------------------------------|-------------------------------|
| Programs Reporting Energy and Demand Savings | | | | | | |
| Multi-Family Rebate Program | \$ 2,276,845 | 9% | 9% | \$ 9,500,000 | 6% | 5% |
| Advanced Home Program | \$ 1,930,000 | 8% | 8% | \$ 8,750,000 | 5% | 5% |
| Third Party Programs * | | 0% | 0% | \$ 33,784,327 | 20% | 19% |
| Education & Training Program | \$ 1,791,657 | 7% | 7% | \$ 6,450,000 | 4% | 4% |
| Express Efficiency Rebate Program | \$ 4,133,929 | 17% | 16% | \$ 22,101,237 | 13% | 12% |
| Local Business Energy Efficiency Program | \$ 2,468,093 | 10% | 10% | \$ 26,846,940 | 16% | 15% |
| Home Efficiency Rebate Program | \$ 6,072,545 | 25% | 24% | \$ 19,500,000 | 12% | 11% |
| Savings By Design SCG SCE Program | \$ 2,234,000 | 9% | 9% | \$ 7,500,000 | 4% | 4% |
| Savings By Design SCG Muni Program * | | 0% | 0% | \$ 3,000,000 | 2% | 2% |
| Sustainable Communities Demo/City of Santa Monica * | | 0% | 0% | \$ 900,000 | 1% | 0% |
| Programs without Reported Savings | | | | | | |
| Home Energy Efficiency Survey | \$ 274,000 | 1% | 1% | \$ 1,900,000 | 1% | 1% |
| Codes & Standards Program | \$ 150,000 | 1% | 1% | \$ 900,000 | 1% | 0% |
| Energy Efficiency Delivery Channel Innovation Prog * | | 0% | 0% | \$ 3,000,000 | 2% | 2% |
| Emerging Tech Program | \$ 753,000 | 3% | 3% | \$ 3,000,000 | 2% | 2% |
| Statewide Marketing & Outreach * | | 0% | 0% | \$ 6,039,129 | 4% | 3% |
| On-Bill Financing for Energy Efficiency Equipment * | | 0% | 0% | \$ 3,750,000 | 2% | 2% |
| Partnership Programs | \$ 2,487,601 | 10% | 10% | \$ 12,000,000 | 7% | 7% |
| Total SCG Program Budget | \$ 24,571,670 | | | \$ 168,921,633 | | |
| Total SCG EM&V Budget | \$ 1,037,000 | | | \$ 13,313,731 | | |
| Total SCG Portfolio Budget | \$ 25,608,670 | | | \$ 182,235,364 | | |

* New Programs for 2006-2008

| SDG&E Program | 2005 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|--------------------|---|--|
| Programs without Reported Savings | | | |
| Codes & Standards Program | \$ 100,000 | 0% | 0% |
| Emerging Tech Program | \$ 205,000 | 0% | 0% |
| Statewide Marketing & Outreach * | | 0% | 0% |
| On-Bill Financing for Energy Efficiency Equipment * | | 0% | 0% |
| Residential Customer Education & Information * | | 0% | 0% |
| Partnership Programs | | | |
| IOU/Community College Partnership * | | 0% | 0% |
| CA Department of Corrections Partnership * | | 0% | 0% |
| IOU/UC/CSU Partnership | \$ 1,535,115 | 3% | 3% |
| City of Chula Vista Partnership * | | 0% | 0% |
| City of San Diego Partnership * | | 0% | 0% |
| SDREO Energy Resource Center Partnership * | | 0% | 0% |
| County of San Diego Partnership * | | 0% | 0% |
| San Diego Co. Water Authority Partnership * | | 0% | 0% |
| Programs Reporting Energy and Demand Savings | | | |
| Savings By Design | \$ 5,710,000 | 12% | 12% |
| Energy Savings Bids | \$ 10,206,059 | 21% | 21% |
| Express Efficiency Rebate Program | \$ 3,565,805 | 8% | 7% |
| Small Business Super Saver | \$ 1,639,000 | 3% | 3% |
| Standard Performance Program | \$ 3,760,000 | 8% | 8% |
| Third Party Programs * | | 0% | 0% |
| Upstream Lighting Program ** | | 0% | 0% |
| Advanced Home Program * | \$ 2,600,000 | 5% | 5% |
| Sustainable Communities Program | \$ 650,000 | 1% | 1% |
| Lighting Exchange and Education | \$ 500,000 | 1% | 1% |
| Limited Income Refrigerator Replacement | \$ 6,000,000 | 13% | 12% |
| Multi-Family Rebate Program | \$ 2,000,000 | 4% | 4% |
| Single Family Rebate Program ** | \$ 9,036,027 | 19% | 18% |
| Total SDG&E Program Budget | \$ 47,507,005 | | |
| Total SDG&E EM&V Budget | \$ 1,440,000 | | |
| Total SDG&E Portfolio Budget | \$ 48,947,005 | | |

* New Programs for 2006-2008

** In 2005 Single Family Rebate and Upstream Lighting were both part of Single Family Rebate

| SDG&E Program | 2006 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|--------------------|---|--|
| Programs without Reported Savings | | | |
| Codes & Standards Program | \$ 400,000 | 1% | 0% |
| Emerging Tech Program | \$ 1,363,000 | 2% | 2% |
| Statewide Marketing & Outreach * | \$ 2,794,410 | 4% | 3% |
| On-Bill Financing for Energy Efficiency Equipment * | \$ 1,250,000 | 2% | 2% |
| Residential Customer Education & Information * | \$ 791,308 | 1% | 1% |
| Partnership Programs | | | |
| IOU/Community College Partnership * | \$ 2,000,000 | 3% | 2% |
| CA Department of Corrections Partnership * | \$ 400,000 | 1% | 0% |
| IOU/UC/CSU Partnership | \$ 2,000,000 | 3% | 2% |
| City of Chula Vista Partnership * | \$ 731,075 | 1% | 1% |
| City of San Diego Partnership * | \$ 920,000 | 1% | 1% |
| SDREO Energy Resource Center Partnership * | \$ 1,353,297 | 2% | 2% |
| County of San Diego Partnership * | \$ 314,000 | 0% | 0% |
| San Diego Co. Water Authority Partnership * | \$ 725,000 | 1% | 1% |
| Programs Reporting Energy and Demand Savings | | | |
| Savings By Design | \$ 3,323,540 | 4% | 4% |
| Energy Savings Bids | \$ 11,733,071 | 16% | 14% |
| Express Efficiency Rebate Program | \$ 3,082,498 | 4% | 4% |
| Small Business Super Saver | \$ 9,579,085 | 13% | 12% |
| Standard Performance Program | \$ 3,382,612 | 5% | 4% |
| Third Party Programs * | \$ 15,027,098 | 20% | 19% |
| Upstream Lighting Program | \$ 5,144,767 | 7% | 6% |
| Advanced Home Program * | \$ 2,213,250 | 3% | 3% |
| Sustainable Communities Program | \$ 394,909 | 1% | 0% |
| Lighting Exchange and Education | \$ 500,000 | 1% | 1% |
| Limited Income Refrigerator Replacement | \$ 1,090,520 | 1% | 1% |
| Multi-Family Rebate Program | \$ 2,155,159 | 3% | 3% |
| Single Family Rebate Program | \$ 2,466,891 | 3% | 3% |
| Total SDG&E Program Budget | \$ 75,135,490 | | |
| Total SDG&E EM&V Budget | \$ 6,010,839 | | |
| Total SDG&E Portfolio Budget | \$ 81,146,329 | | |

* New Programs for 2006-2008

| SDG&E Program | 2007 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|--------------------|---|--|
| Programs without Reported Savings | | | |
| Codes & Standards Program | \$ 400,000 | 0% | 0% |
| Emerging Tech Program | \$ 1,363,000 | 2% | 1% |
| Statewide Marketing & Outreach * | \$ 2,794,410 | 3% | 3% |
| On-Bill Financing for Energy Efficiency Equipment * | \$ 1,250,000 | 1% | 1% |
| Residential Customer Education & Information * | \$ 724,900 | 1% | 1% |
| Partnership Programs | | | |
| IOU/Community College Partnership * | \$ 2,000,000 | 2% | 2% |
| CA Department of Corrections Partnership * | \$ 400,000 | 0% | 0% |
| IOU/UC/CSU Partnership | \$ 2,000,000 | 2% | 2% |
| City of Chula Vista Partnership * | \$ 731,075 | 1% | 1% |
| City of San Diego Partnership * | \$ 981,884 | 1% | 1% |
| SDREO Energy Resource Center Partnership * | \$ 1,352,212 | 2% | 1% |
| County of San Diego Partnership * | \$ 330,000 | 0% | 0% |
| San Diego Co. Water Authority Partnership * | \$ 704,000 | 1% | 1% |
| Programs Reporting Energy and Demand Savings | | | |
| Savings By Design | \$ 4,225,467 | 5% | 5% |
| Energy Savings Bids | \$ 16,367,338 | 19% | 18% |
| Express Efficiency Rebate Program | \$ 3,313,685 | 4% | 4% |
| Small Business Super Saver | \$ 10,297,516 | 12% | 11% |
| Standard Performance Program | \$ 3,636,308 | 4% | 4% |
| Third Party Programs * | \$ 16,933,008 | 20% | 19% |
| Upstream Lighting Program | \$ 5,625,425 | 7% | 6% |
| Advanced Home Program * | \$ 2,213,250 | 3% | 2% |
| Sustainable Communities Program | \$ 573,936 | 1% | 1% |
| Lighting Exchange and Education | \$ 516,730 | 1% | 1% |
| Limited Income Refrigerator Replacement | \$ 1,090,520 | 1% | 1% |
| Multi-Family Rebate Program | \$ 2,258,557 | 3% | 2% |
| Single Family Rebate Program | \$ 2,581,818 | 3% | 3% |
| Total SDG&E Program Budget | \$ 84,665,039 | | |
| Total SDG&E EM&V Budget | \$ 6,773,203 | | |
| Total SDG&E Portfolio Budget | \$ 91,438,242 | | |

* New Programs for 2006-2008

| SDG&E Program | 2008 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|--------------------|---|--|
| Programs without Reported Savings | | | |
| Codes & Standards Program | \$ 400,000 | 0% | 0% |
| Emerging Tech Program | \$ 1,363,000 | 1% | 1% |
| Statewide Marketing & Outreach * | \$ 2,794,410 | 3% | 3% |
| On-Bill Financing for Energy Efficiency Equipment * | \$ 1,250,000 | 1% | 1% |
| Residential Customer Education & Information * | \$ 682,000 | 1% | 1% |
| Partnership Programs | | | |
| IOU/Community College Partnership * | \$ 2,000,000 | 2% | 2% |
| CA Department of Corrections Partnership * | \$ 400,000 | 0% | 0% |
| IOU/UC/CSU Partnership | \$ 2,000,000 | 2% | 2% |
| City of Chula Vista Partnership * | \$ 731,075 | 1% | 1% |
| City of San Diego Partnership * | \$ 981,884 | 1% | 1% |
| SDREO Energy Resource Center Partnership * | \$ 1,426,072 | 1% | 1% |
| County of San Diego Partnership * | \$ 345,000 | 0% | 0% |
| San Diego Co. Water Authority Partnership * | \$ 708,000 | 1% | 1% |
| Programs Reporting Energy and Demand Savings | | | |
| Savings By Design | \$ 6,050,932 | 6% | 6% |
| Energy Savings Bids | \$ 22,842,880 | 23% | 22% |
| Express Efficiency Rebate Program | \$ 3,562,212 | 4% | 3% |
| Small Business Super Saver | \$ 11,069,830 | 11% | 10% |
| Standard Performance Program | \$ 3,909,031 | 4% | 4% |
| Third Party Programs * | \$ 19,548,007 | 20% | 19% |
| Upstream Lighting Program | \$ 6,107,671 | 6% | 6% |
| Advanced Home Program * | \$ 2,213,250 | 2% | 2% |
| Sustainable Communities Program | \$ 725,985 | 1% | 1% |
| Lighting Exchange and Education | \$ 533,600 | 1% | 1% |
| Limited Income Refrigerator Replacement | \$ 1,090,520 | 1% | 1% |
| Multi-Family Rebate Program | \$ 2,364,428 | 2% | 2% |
| Single Family Rebate Program | \$ 2,640,249 | 3% | 3% |
| Total SDG&E Program Budget | \$ 97,740,036 | | |
| Total SDG&E EM&V Budget | \$ 7,819,203 | | |
| Total SDG&E Portfolio Budget | \$ 105,559,239 | | |

* New Programs for 2006-2008

| SDG&E Program | 2005 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) | 2006-8 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|---------------|----------------------------------|-------------------------------|----------------|----------------------------------|-------------------------------|
| Programs without Reported Savings | | | | | | |
| Codes & Standards Program | \$ 100,000 | 0% | 0% | \$ 1,200,000 | 0% | 0% |
| Emerging Tech Program | \$ 205,000 | 0% | 0% | \$ 4,089,000 | 2% | 1% |
| Statewide Marketing & Outreach * | | 0% | 0% | \$ 8,383,230 | 3% | 3% |
| On-Bill Financing for Energy Efficiency Equipment * | | 0% | 0% | \$ 3,750,000 | 1% | 1% |
| Residential Customer Education & Information * | | 0% | 0% | \$ 2,198,208 | 1% | 1% |
| Partnership Programs | | | | | | |
| IOU/Community College Partnership * | | 0% | 0% | \$ 6,000,000 | 2% | 2% |
| CA Department of Corrections Partnership * | | 0% | 0% | \$ 1,200,000 | 0% | 0% |
| IOU/UC/CSU Partnership | \$ 1,535,115 | 3% | 3% | \$ 6,000,000 | 2% | 2% |
| City of Chula Vista Partnership * | | 0% | 0% | \$ 2,193,225 | 1% | 1% |
| City of San Diego Partnership * | | 0% | 0% | \$ 2,883,768 | 1% | 1% |
| SDREO Energy Resource Center Partnership * | | 0% | 0% | \$ 4,131,581 | 2% | 1% |
| County of San Diego Partnership * | | 0% | 0% | \$ 989,000 | 0% | 0% |
| San Diego Co. Water Authority Partnership * | | 0% | 0% | \$ 2,137,000 | 1% | 1% |
| Programs Reporting Energy and Demand Savings | | | | | | |
| Savings By Design | \$ 5,710,000 | 12% | 12% | \$ 13,599,939 | 5% | 5% |
| Energy Savings Bids | \$ 10,206,059 | 21% | 21% | \$ 50,943,289 | 20% | 18% |
| Express Efficiency Rebate Program | \$ 3,565,805 | 8% | 7% | \$ 9,958,395 | 4% | 4% |
| Small Business Super Saver | \$ 1,639,000 | 3% | 3% | \$ 30,946,431 | 12% | 11% |
| Standard Performance Program | \$ 3,760,000 | 8% | 8% | \$ 10,927,951 | 4% | 4% |
| Third Party Programs * | | 0% | 0% | \$ 51,508,113 | 20% | 19% |
| Upstream Lighting Program ** | | 0% | 0% | \$ 16,877,863 | 7% | 6% |
| Advanced Home Program * | \$ 2,600,000 | 5% | 5% | \$ 6,639,750 | 3% | 2% |
| Sustainable Communities Program | \$ 650,000 | 1% | 1% | \$ 1,694,830 | 1% | 1% |
| Lighting Exchange and Education | \$ 500,000 | 1% | 1% | \$ 1,550,330 | 1% | 1% |
| Limited Income Refrigerator Replacement | \$ 6,000,000 | 13% | 12% | \$ 3,271,560 | 1% | 1% |
| Multi-Family Rebate Program | \$ 2,000,000 | 4% | 4% | \$ 6,778,144 | 3% | 2% |
| Single Family Rebate Program ** | \$ 9,036,027 | 19% | 18% | \$ 7,688,958 | 3% | 3% |
| Total SDG&E Program Budget | \$ 47,507,005 | | | \$ 257,540,565 | | |
| Total SDG&E EM&V Budget | \$ 1,440,000 | | | \$ 20,603,245 | | |
| Total SDG&E Portfolio Budget | \$ 48,947,005 | | | \$ 278,143,810 | | |

* New Programs for 2006-2008

** In 2005 Single Family Rebate and Upstream Lighting were both part of Single Family Rebate

| SCE Programs | 2005 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|--------------------|---|--|
| Programs Reporting Energy and Demand Savings | | | |
| Appliance Recycling | \$ 11,085,365 | 8% | 8% |
| Residential EE Rebates | \$ 17,244,300 | 13% | 13% |
| Multifamily Rebates | \$ 6,095,563 | 5% | 4% |
| Home Energy Efficiency Surveys | \$ 1,500,000 | 1% | 1% |
| Integrated Schools | \$ - | 0% | 0% |
| CA New Homes | \$ 7,569,673 | 6% | 6% |
| Comprehensive HVAC - Residential | \$ - | 0% | 0% |
| Comprehensive HVAC - Non-Residential | \$ 2,789,727 | 2% | 2% |
| Retrocommissioning | \$ - | 0% | 0% |
| Industrial Processes | \$ 470,000 | 0% | 0% |
| Agricultural Energy Efficiency | \$ 1,600,000 | 1% | 1% |
| Small Business Direct Install | \$ 5,960,447 | 4% | 4% |
| Savings By Design | \$ 14,121,843 | 11% | 10% |
| Sustainable Communities | \$ - | 0% | 0% |
| Business Incentive Program | \$ 35,541,979 | 27% | 26% |
| Partnerships | \$ 8,017,581 | 6% | 6% |
| IDEEA | \$ 6,264,345 | 5% | 5% |
| InDEE | \$ - | 0% | 0% |
| Programs without Reported Savings | | | |
| Flex Your Power/Marketing Outreach | 6,709,753 | 5% | 5% |
| Education Training and Outreach | 5,304,372 | 4% | 4% |
| Emerging Technologies | 1,800,000 | 1% | 1% |
| Codes and Standards Advocacy | 1,200,000 | 1% | 1% |
| Total SCE Program Budget | 133,274,945 | | |
| Total SCE EM&V Budget | 3,894,812 | | |
| Total SCE Portfolio Budget | 137,169,757 | | |

| SCE Programs | 2006 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|----------------|----------------------------------|-------------------------------|
| Programs Reporting Energy and Demand Savings | | | |
| Appliance Recycling | \$ 12,301,351 | 5.68% | 5.26% |
| Residential EE Rebates | \$ 21,096,248 | 9.74% | 9.02% |
| Multifamily Rebates | \$ 17,819,229 | 8.23% | 7.62% |
| Home Energy Efficiency Surveys | \$ 2,318,380 | 1.07% | 0.99% |
| Integrated Schools | \$ 1,544,858 | 0.71% | 0.66% |
| CA New Homes | \$ 6,021,673 | 2.78% | 2.57% |
| Comprehensive HVAC - Residential | \$ 4,471,302 | 2.06% | 1.91% |
| Comprehensive HVAC - Non-Residential | \$ 15,744,580 | 7.27% | 6.73% |
| Retrocommissioning | \$ 1,548,850 | 0.72% | 0.66% |
| Industrial Processes | \$ 13,271,370 | 6.13% | 5.67% |
| Agricultural Energy Efficiency | \$ 10,133,550 | 4.68% | 4.33% |
| Small Business Direct Install | \$ 16,133,486 | 7.45% | 6.90% |
| Savings By Design | \$ 8,618,503 | 3.98% | 3.68% |
| Sustainable Communities | \$ 1,331,060 | 0.61% | 0.57% |
| Business Incentive Program | \$ 36,243,641 | 16.73% | 15.50% |
| Partnerships | \$ 14,830,351 | 6.85% | 6.34% |
| IDEEA | \$ 10,887,353 | 5.03% | 4.65% |
| InDEE | \$ 1,926,953 | 0.89% | 0.82% |
| Programs without Reported Savings | | | |
| Flex Your Power/Marketing Outreach | \$ 6,737,838 | 3.11% | 2.88% |
| Education Training and Outreach | \$ 8,025,500 | 3.71% | 3.43% |
| Emerging Technologies | \$ 3,729,000 | 1.72% | 1.59% |
| Codes and Standards Advocacy | \$ 1,839,000 | 0.85% | 0.79% |
| Total SCE Program Budget | \$ 216,574,075 | | |
| Total SCE EM&V Budget | \$ 17,325,926 | | |
| Total SCE Portfolio Budget | \$ 233,900,001 | | |

| SCE Programs | 2007 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|----------------|----------------------------------|-------------------------------|
| Programs Reporting Energy and Demand Savings | | | |
| Appliance Recycling | \$ 13,291,900 | 5.90% | 5.47% |
| Residential EE Rebates | \$ 22,698,565 | 10.08% | 9.34% |
| Multifamily Rebates | \$ 17,651,334 | 7.84% | 7.26% |
| Home Energy Efficiency Surveys | \$ 1,818,100 | 0.81% | 0.75% |
| Integrated Schools | \$ 1,638,300 | 0.73% | 0.67% |
| CA New Homes | \$ 6,125,343 | 2.72% | 2.52% |
| Comprehensive HVAC - Residential | \$ 4,471,302 | 1.99% | 1.84% |
| Comprehensive HVAC - Non-Residential | \$ 15,744,580 | 6.99% | 6.48% |
| Retrocommissioning | \$ 5,107,850 | 2.27% | 2.10% |
| Industrial Processes | \$ 13,127,531 | 5.83% | 5.40% |
| Agricultural Energy Efficiency | \$ 11,515,264 | 5.12% | 4.74% |
| Small Business Direct Install | \$ 16,133,486 | 7.17% | 6.64% |
| Savings By Design | \$ 10,327,770 | 4.59% | 4.25% |
| Sustainable Communities | \$ 1,418,185 | 0.63% | 0.58% |
| Business Incentive Program | \$ 35,868,746 | 15.93% | 14.75% |
| Partnerships | \$ 14,830,351 | 6.59% | 6.10% |
| IDEEA | \$ 10,887,353 | 4.84% | 4.48% |
| InDEE | \$ 1,926,953 | 0.86% | 0.79% |
| Programs without Reported Savings | | | |
| Flex Your Power/Marketing Outreach | \$ 6,737,838 | 2.99% | 2.77% |
| Education Training and Outreach | \$ 8,025,500 | 3.57% | 3.30% |
| Emerging Technologies | \$ 3,794,000 | 1.69% | 1.56% |
| Codes and Standards Advocacy | \$ 1,971,697 | 0.88% | 0.81% |
| Total SCE Program Budget | \$ 225,111,946 | | |
| Total SCE EM&V Budget | \$ 18,008,956 | | |
| Total SCE Portfolio Budget | \$ 243,120,902 | | |

| SCE Programs | 2008 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|----------------|----------------------------------|-------------------------------|
| Programs Reporting Energy and Demand Savings | | | |
| Appliance Recycling | \$ 14,292,700 | 6.13% | 5.68% |
| Residential EE Rebates | \$ 23,506,844 | 10.08% | 9.34% |
| Multifamily Rebates | \$ 17,694,803 | 7.59% | 7.03% |
| Home Energy Efficiency Surveys | \$ 1,828,800 | 0.78% | 0.73% |
| Integrated Schools | \$ 1,805,000 | 0.77% | 0.72% |
| CA New Homes | \$ 6,185,143 | 2.65% | 2.46% |
| Comprehensive HVAC - Residential | \$ 4,471,302 | 1.92% | 1.78% |
| Comprehensive HVAC - Non-Residential | \$ 15,744,580 | 6.75% | 6.25% |
| Retrocommissioning | \$ 5,099,350 | 2.19% | 2.03% |
| Industrial Processes | \$ 14,136,215 | 6.06% | 5.61% |
| Agricultural Energy Efficiency | \$ 16,414,020 | 7.04% | 6.52% |
| Small Business Direct Install | \$ 16,133,486 | 6.92% | 6.41% |
| Savings By Design | \$ 11,986,498 | 5.14% | 4.76% |
| Sustainable Communities | \$ 1,679,905 | 0.72% | 0.67% |
| Business Incentive Program | \$ 33,810,917 | 14.50% | 13.43% |
| Partnerships | \$ 14,830,351 | 6.36% | 5.89% |
| IDEEA | \$ 10,887,353 | 4.67% | 4.32% |
| InDEE | \$ 1,926,953 | 0.83% | 0.77% |
| Programs without Reported Savings | | | |
| Flex Your Power/Marketing Outreach | \$ 6,737,838 | 2.89% | 2.68% |
| Education Training and Outreach | \$ 8,025,500 | 3.44% | 3.19% |
| Emerging Technologies | \$ 3,907,240 | 1.68% | 1.55% |
| Codes and Standards Advocacy | \$ 2,041,180 | 0.88% | 0.81% |
| Total SCE Program Budget | \$ 233,145,977 | | |
| Total SCE EM&V Budget | \$ 18,651,678 | | |
| Total SCE Portfolio Budget | \$ 251,797,655 | | |

| SCE Programs | 2005 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) | 2006-8 Budget | Percent of Budget (without EM&V) | Percent of Budget (with EM&V) |
|---|----------------|----------------------------------|-------------------------------|----------------|----------------------------------|-------------------------------|
| Programs Reporting Energy and Demand Savings | | | | | | |
| Appliance Recycling | \$ 11,085,365 | 8% | 8% | \$ 39,885,951 | 6% | 5% |
| Residential EE Rebates | \$ 17,244,300 | 13% | 13% | \$ 67,301,657 | 10% | 9% |
| Multifamily Rebates | \$ 6,095,563 | 5% | 4% | \$ 53,165,366 | 8% | 7% |
| Home Energy Efficiency Surveys | \$ 1,500,000 | 1% | 1% | \$ 5,965,280 | 1% | 1% |
| Integrated Schools | \$ - | 0% | 0% | \$ 4,988,158 | 1% | 1% |
| CA New Homes | \$ 7,569,673 | 6% | 6% | \$ 18,332,158 | 3% | 3% |
| Comprehensive HVAC - Residential | \$ - | 0% | 0% | \$ 13,413,906 | 2% | 2% |
| Comprehensive HVAC - Non-Residential | \$ 2,789,727 | 2% | 2% | \$ 47,233,739 | 7% | 6% |
| Retrocommissioning | \$ - | 0% | 0% | \$ 11,756,050 | 2% | 2% |
| Industrial Processes | \$ 470,000 | 0% | 0% | \$ 40,535,116 | 6% | 6% |
| Agricultural Energy Efficiency | \$ 1,600,000 | 1% | 1% | \$ 38,062,834 | 6% | 5% |
| Small Business Direct Install | \$ 5,960,447 | 4% | 4% | \$ 48,400,458 | 7% | 7% |
| Savings By Design | \$ 14,121,843 | 11% | 10% | \$ 30,932,770 | 5% | 4% |
| Sustainable Communities | \$ - | 0% | 0% | \$ 4,429,150 | 1% | 1% |
| Business Incentive Program | \$ 35,541,979 | 27% | 26% | \$ 105,923,305 | 16% | 15% |
| Partnerships | \$ 8,017,581 | 6% | 6% | \$ 44,491,054 | 7% | 6% |
| IDEEA | \$ 6,264,345 | 5% | 5% | \$ 32,662,058 | 5% | 4% |
| InDEE | \$ - | 0% | 0% | \$ 5,780,860 | 1% | 1% |
| Programs without Reported Savings | | | | | | |
| Flex Your Power/Marketing Outreach | \$ 6,709,753 | 5% | 5% | \$ 20,213,514 | 3% | 3% |
| Education Training and Outreach | \$ 5,304,372 | 4% | 4% | \$ 24,076,499 | 4% | 3% |
| Emerging Technologies | \$ 1,800,000 | 1% | 1% | \$ 11,430,240 | 2% | 2% |
| Codes and Standards Advocacy | \$ 1,200,000 | 1% | 1% | \$ 5,851,877 | 1% | 1% |
| Total SCE Program Budget | \$ 133,274,945 | | | \$ 674,831,999 | | |
| Total SCE EM&V Budget | \$ 3,894,812 | | | \$ 53,986,560 | | |
| Total SCE Portfolio Budget | \$ 137,169,757 | | | \$ 728,818,559 | | |

ATTACHMENT 5

SUMMARY OF GREEN BUILDING INITIATIVES AND PROJECTED SAVINGS

ENERGY EFFICIENCY PORTFOLIO PLANS 2006-2008

A. Education and Outreach Programs

- Provide seminars, training, workshops and certification programs that educate building operators and facilities staff on how to incorporate energy efficiency practices and measures in their facilities.
- Provide training and design assistance to assist state facilities in complying with Title 20 and Title 24 building codes.
- Programs that provide these opportunities:

SCE:

Retrocommissioning, Savings By Design, Sustainable Communities, and Education, Training and Outreach programs.

SDG&E:

Building Operator Certification, San Diego Resource Center (Partnership with San Diego Regional Office), Savings By Design, and Sustainable Communities programs.

PG&E:

Portions of the Mass Market program focused on small business, and the Targeted Market programs, particularly the Schools and Colleges, Office and Institutional Buildings, and Education and Training programs.

SoCalGas:

Building Operator Certification, Energy Efficiency Education & Training, Energy Efficiency Delivery Channel Innovation Program, Savings By Design, and Sustainable Communities programs.

B. Incentive/Rebate and Energy Audit Programs

- Provide incentives or rebates for purchase and installation of energy efficiency measures, e.g., lighting, HVAC, process, water heating, boilers, etc.
- The rebate/incentive programs incorporate the energy efficiency audit services.
- Programs that provide these opportunities:

SCE:

Industrial Energy Efficiency, Agricultural Energy Efficiency, Nonresidential Direct Installation, Business Incentive Program, Savings By Design, and Sustainable Communities programs.

- SCE's Business Incentive Program will have a module to help customers comply with the specific requirements of the GBI for state-owned buildings, and will encourage and provide assistance to cities, counties, and private businesses to adopt the requirements of the Executive Order on a voluntary basis.

- While relatively few agricultural facilities are affected by the GBI, State-run fish hatcheries are within the targeted market of SCE’s Agricultural Energy Efficiency Program. SCE plans to include state-owned fish hatcheries for pump testing and efficiency improvements.
- SCE’s Savings by Design Program will include a “green building” incentive tier to support and work with industry trends toward sustainability will also be explored in conjunction with incentive restructuring.

SDG&E:

Small Business Super Saver, Express Efficiency, Standard Performance Contract, Energy Savings Bid, Savings By Design, and Sustainable Communities programs.

PG&E:

Programs that provide these opportunities include the portions of the Mass Market focused on small business, and the Targeted Market programs, particularly the Schools and Colleges and Office and Institutional Buildings programs.

SoCalGas:

Express Efficiency, Local Business Energy Efficiency Program, Savings By Design, and Sustainable Communities programs.

C. Statewide Utility Partnerships with State Institutions

- UC/CSU Partnership: The program will continue to offer incentives for retrofit projects, continuous commissioning, and educational training for campus energy managers.
- California Community Colleges Program: This is a new statewide nonresidential program that will offer incentives for retrofit and new construction projects, continuous commissioning, and educational training for the community colleges similar to the UC/CSU Partnership program.
- California Department of Corrections Program: This is a new statewide nonresidential program that will offer incentives for retrofit projects, continuous commissioning, and educational training for the prisons and youth facilities.

D. Other Program Services That Support the Green Buildings Initiative

- Codes & Standards program: The utilities provide Code and Standards Enhancement Studies (CASE) that promote the upgrade and enhancement to existing California building and appliance codes.
- Emerging Technologies: These utility programs promote acceleration of the introduction of energy efficient technologies, applications and analytical tools that are not widely available or accepted in California.
- Local Government Partnerships: LGP involves the creation of energy partnerships with cities, local governments, local government organizations, state and community universities and colleges to set energy efficiency goals and generate measurable, verifiable energy savings through identification of specific energy efficiency projects and community outreach activities. PG&E is developing a series of LGPs that will emphasize

raising efficiency in local government facilities, as well as work to increase efficiency in businesses and homes. SCE will assist Jurisdictions in retrofitting municipal buildings to in complying with the Governor's "Green Building Action Plan". Included are SCE partnerships with The City of Bakersfield/Kern County, the Community Energy Partnership, Los Angeles County, Pomona Inland Valley, South Bay Cities, Ventura County, The City of Riverside, The City of Santa Barbara, and the Local Government Energy Action Resources.

- Third-Party Competitive Bidding: Additional program services may become available through the solicitation process.

Green Building Initiative--Projected Savings

| Utility | Program | 2006 | | | 2007 | | | 2008 | | |
|---------|--|-------------|--------|-----------|-------------|--------|-----------|-------------|--------|-----------|
| | | KWH | KW | THERMS | KWH | KW | THERMS | KWH | KW | THERMS |
| SDG&E | IOU/Community College Partnership | 4,000,000 | 538 | 136,852 | 4,000,000 | 538 | 136,852 | 4,000,000 | 538 | 136,852 |
| SDG&E | CA Department of Corrections Partnership | 89,286 | 19 | 4,888 | 89,286 | 19 | 4,888 | 89,286 | 19 | 4,888 |
| SDG&E | Energy Savings Bids | 40,792,320 | 6,684 | 84,600 | 53,885,460 | 8,890 | 128,800 | 72,391,058 | 12,014 | 157,600 |
| SDG&E | Express Efficiency Rebate Program | 14,989,142 | 1,684 | 207,596 | 16,113,328 | 1,810 | 273,166 | 17,321,827 | 1,946 | 439,903 |
| SDG&E | Small Business Super Saver | 48,439,522 | 6,745 | 282,779 | 52,072,486 | 7,251 | 353,987 | 55,977,923 | 7,795 | 626,786 |
| SDG&E | Standard Performance Program | 11,266,710 | 1,404 | 150,000 | 12,111,713 | 1,509 | 170,000 | 13,020,092 | 1,622 | 175,250 |
| SDG&E | IOU/UC/CSU Partnership | 4,000,000 | 577 | 146,657 | 4,000,000 | 577 | 146,657 | 4,000,000 | 577 | 146,657 |
| SDG&E | Savings By Design | 2,947,189 | 887 | 50,141 | 5,894,377 | 1,773 | 100,283 | 11,788,754 | 3,546 | 200,565 |
| SCG | Express Efficiency Rebate Program | - | - | 2,727,193 | - | - | 3,920,309 | - | - | 4,732,808 |
| SCG | Local Business Energy Efficiency Program | - | - | 4,305,575 | - | - | 6,189,215 | - | - | 7,471,954 |
| SCG | Savings By Design SCG SCE Program | - | - | 883,500 | - | - | 1,743,000 | - | - | 2,643,060 |
| SCG | Savings By Design SCG Muni Program | - | - | 1,000,000 | - | - | 1,000,000 | - | - | 1,000,000 |
| SCG | Sustainable Communities Demo/City of Santa Monica | - | - | - | - | - | 5,500 | - | - | - |
| PG&E | Mass Markets | 57,550,314 | 10,160 | 810,144 | 66,785,833 | 11,364 | 1,108,309 | 78,574,225 | 13,227 | 1,584,709 |
| PG&E | School and Colleges | 7,186,789 | 1,560 | - | 12,936,249 | 2,807 | - | 23,285,250 | 5,053 | - |
| PG&E | Retail Stores | 12,697,856 | 2,756 | - | 13,713,682 | 2,976 | - | 14,810,772 | 3,214 | - |
| PG&E | High Technology Facilities | 11,028,995 | 2,394 | - | 11,911,297 | 2,585 | - | 12,864,211 | 2,791 | - |
| PG&E | Medical Facilities | 24,670,116 | 5,354 | - | 26,643,720 | 5,782 | - | 28,775,220 | 6,244 | - |
| PG&E | Large Commercial (Office Bldg, Gov't, Large Institution) | 47,477,903 | 10,303 | - | 51,276,135 | 11,127 | - | 55,378,226 | 12,017 | - |
| PG&E | Hospitality Facilities | 4,201,523 | 912 | - | 4,537,645 | 985 | - | 4,900,657 | 1,063 | - |
| SCE | Comprehensive HVAC - Nonresidential | 35,000,000 | 7,500 | - | 50,000,000 | 11,000 | - | 50,000,000 | 11,000 | - |
| SCE | Retrocommissioning | - | - | - | 19,000,000 | 4,000 | - | 19,000,000 | 4,000 | - |
| SCE | Industrial Energy Efficiency | 39,000,000 | 8,000 | - | 64,000,000 | 14,000 | - | 90,000,000 | 19,000 | - |
| SCE | Agricultural Energy Efficiency | 37,000,000 | 8,000 | - | 40,000,000 | 9,000 | - | 45,000,000 | 10,000 | - |
| SCE | Nonresidential Direct Installation | 105,000,000 | 22,000 | - | 120,000,000 | 26,000 | - | 120,000,000 | 26,000 | - |
| SCE | Savings By Design | 2,000,000 | 450 | - | 18,000,000 | 3,900 | - | 33,000,000 | 7,000 | - |
| SCE | Sustainable Communities | 80,000 | 20 | - | 300,000 | 70 | - | 1,200,000 | 250 | - |
| SCE | Business Incentive Program | 300,000,000 | 65,000 | - | 310,000,000 | 67,000 | - | 328,000,000 | 71,000 | - |
| SCE | UC/CSU | 12,000,000 | 1,500 | - | 14,000,000 | 3,000 | - | 15,000,000 | 3,000 | - |
| SCE | IOU/Community College Partnership | 3,000,000 | 500 | - | 3,000,000 | 500 | - | 3,000,000 | 500 | - |
| SCE | CA Department of Corrections Partnership | 4,000,000 | 1,000 | - | 4,000,000 | 1,000 | - | 4,000,000 | 1,000 | - |

Attachment 6

2006-2008 Energy Efficiency Competitive Bid: Criteria and Weighting

Stage 1: Adopted Criteria and Weighting

1. Resource Under SCE IDEEA, SDG&E and SoCalGas Innovative Idea

| | Weights | | | | | |
|--------------------|-----------|---------|-------|-----------|------|---------|
| Criteria | SCE | SCE PRG | SDG&E | SDG&E PRG | SCG | SCG PRG |
| Savings | see below | | 40% | | 40% | |
| Program Concept | see below | | 35% | | 35% | |
| Program Innovation | see below | | 25% | | 25% | |
| Totals | 0% | 0% | 100% | 0% | 100% | 0% |

2. Non-Resource Under SCE IDEEA, SDG&E and SoCalGas Innovative Idea

| | Weights | | | | | |
|--------------------|-----------|---------|-------|-----------|------|---------|
| Criteria | SCE | SCE PRG | SDG&E | SDG&E PRG | SCG | SCG PRG |
| Program Strategy | see below | | 60% | | 60% | |
| Program Innovation | see below | | 40% | | 40% | |
| Totals | 0% | 0% | 100% | 0% | 100% | 0% |

3. Innovative Emerging Technologies (SCE INDEE)

| | Weights | | | | | |
|--------------------|-----------|---------|-------|-----------|------|---------|
| Criteria | SCE | SCE PRG | SDG&E | SDG&E PRG | SCG | SCG PRG |
| Program Strategy | see below | | 60% | | 60% | |
| Program Innovation | see below | | 40% | | 40% | |
| Totals | 0% | 0% | 100% | 0% | 100% | 0% |

4. Integrated Demand-Side-Management (DSM)

| | Weights | | | | | |
|---------------|---------|---------|-------|-----------|-----|---------|
| Criteria | SCE | SCE PRG | SDG&E | SDG&E PRG | SCG | SCG PRG |
| | n/a | n/a | n/a | n/a | n/a | n/a |
| | n/a | n/a | n/a | n/a | n/a | n/a |
| Totals | n/a | n/a | n/a | n/a | n/a | n/a |

2006-2008 Energy Efficiency Competitive Bid: Criteria and Weighting

Stage 1: Adopted Criteria and Weighting

5. Resource under SCE, SDG&E and SoCalGas Targeted Solicitation

| Criteria | Weights | | | | | |
|--------------------|-----------|---------|-------|-----------|------|---------|
| | SCE | SCE PRG | SDG&E | SDG&E PRG | SCG | SCG PRG |
| Savings | see below | | 40% | | 40% | |
| Program Concept | see below | | 35% | | 35% | |
| Program Innovation | see below | | 25% | | 25% | |
| Totals | 0% | 0% | 100% | 0% | 100% | 0% |

6. Non-Resource Under SCE, SDG&E and SoCalGas Targeted Solicitation

| Criteria | Weights | | | | | |
|--------------------|-----------|---------|-------|-----------|------|---------|
| | SCE | SCE PRG | SDG&E | SDG&E PRG | SCG | SCG PRG |
| Program Strategy | see below | | 60% | | 60% | |
| Program Innovation | see below | | 40% | | 40% | |
| Totals | 0% | 0% | 100% | 0% | 100% | 0% |

SCE:

For Stage 1 review the abstracts must follow a SCE recommended format and must cover the proposed concept's target market, proposed ways of achieving goal (energy savings for resource programs or non-energy savings milestones), technology offering (for resource programs), program innovation, program budget, and metrics of the proposed goal. Selected Stage I bidders will be notified of selection and asked to develop a full proposal based on the concepts of the abstract. Recommendations are submitted to portfolio managers. Selected abstracts will also receive technical energy savings review from SCE's engineering group (technical documentation that substantiates energy savings is a required attachment to the abstract). **SCE is required to work with its PRG to further develop the Stage 1 evaluation criteria and associated weights or scores during the compliance phase, using either the PG&E or the SDG&E/SoCalGas approach as a model.**

7. PG&E Stage 1 - All Solicitations

Threshold Part 1

| | PG&E | PG&E PRG |
|--|------|----------|
| Is proposal cost-effective? | Y/N | Y/N |
| Is bid responsive? | Y/N | Y/N |
| Does vendor have necessary licenses? | Y/N | Y/N |
| Is vendor financially stable to complete work? | Y/N | Y/N |

Threshold Part 2

| | PG&E | PG&E PRG |
|---------------------|------|----------|
| Vendor References | 5 | 5 |
| Track Record | 5 | 5 |
| Program Team | 5 | 5 |
| Project Feasibility | 5 | 5 |

NOTE: PG&E's PRG supports PG&E's Phase I criteria for the targeted and innovative solicitations. If PG&E issues a non-resource solicitation, PG&E's PRG recommends not using "cost-effectiveness" as a threshold criteria as C/E can not be calculated for non-resource programs. Citation: PG&E PRG Report, mimeo, p. 23.

NOTE: Threshold criteria are standards that proposals must meet before being further considered. Part 1 threshold criteria will be scored "yes" or "no" - proposal meets criteria or does not. Proposals that receive any "no" scores will not be further considered. Reviewers will need to document basis for "no" score, and PRG members will be permitted to review justification.
NOTE 2: Part 2 threshold criteria will receive points ranging from 1-5. To be considered further, proposals will need to receive at least 3 points in each individual category and 12 points total to be reviewed further.

2006-2008 Energy Efficiency Competitive Bid: Criteria and Weighting

Stage 2: Proposed and Adopted (*) Criteria and Weighting

1. Resource Under SCE IDEEA, SDG&E and SoCalGas Innovative Idea, PG&E Targeted Solicitations

| Criteria | Weights | | | | | | | | |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | SCE Revised* | SCE | SCE PRG | PGE* | PG&E PRG | SDG&E* | SDG&E PRG | SCG* | SCG PRG |
| kWh and kW Potential | 20% | 30% | 20% | | | 20% | 20% | 20% | 20% |
| Cost Effectiveness | 20% | 25% | 20% | | | 20% | 20% | 20% | 20% |
| Program Implementation and Feasibility | 15% | 15% | 15% | | | 20% | 20% | 20% | 15% |
| Program Innovation | 30% | 15% | 30% | | | 35% | 35% | 35% | 30% |
| Skill and Experience | 10% | 10% | 10% | 10% | 10% | 0% | 0% | 0% | 10% |
| 2. Non-Resource Under SCE IDEEA, SD | 5% | 5% | 5% | | | 5% | 5% | 5% | 5% |
| Levelized Costs | | | | 40% | 40% | | | | |
| Portfolio Fit/Improved Performance | | | | 25% | 25% | | | | |
| Comprehensiveness/Lost Opportunities | | | | 15% | 15% | | | | |
| WMDVBE | | | | 10% | 10% | | | | |
| Totals | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

NOTE 1: PG&E's "targeted" solicitation is for resource programs in all market segments, excluding statewide consistent mass-market and upstream lighting. The term "targeted" refers to proposals that are targeted to the particular market segments that PG&E has defined. Proposers will also be eligible to propose "cross-market" programs as long as the proposer clearly specifies which PG&E-defined targeted markets the proposal covers. It is more closely aligned with the SCE IDEEA and SDG&E/SoCalGas Innovative Idea solicitations (for resource programs), rather than their respective targeted market solicitations, and the criteria/weightings are therefore displayed here.

NOTE 2: PG&E will evaluate proposals based on both the Threshold Criteria shown in Stage 1 and the Evaluation Criteria above in both Stage 1 and Stage 2. In each stage, PG&E will conduct the evaluation at a level of detail consistent with the information requested. PG&E will evaluate Stage 1 proposals at a more general, conceptual level, while Stage 2 proposals will receive an in-depth, detailed review.

2. Non-Resource Under SCE IDEEA, SDG&E and SoCalGas Innovative Idea

| Criteria | Weights | | | | | | | | |
|--|--------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| | SCE Revised* | SCE | SCE PRG | PGE | PG&E PRG | SDG&E* | SDG&E PRG | SCG* | SCG PRG |
| Cost Efficiencies | 25% | 30% | 25% | n/a | 25% | 0% | 0% | 25% | 25% |
| Budgets *(Cost Efficiencies) | 0% | 0% | 0% | n/a | | 25% | 25% | 0% | 0% |
| Program Implementation and Feasibility | 15% | 20% | 15% | n/a | | 25% | 25% | 25% | 15% |
| kWh, kW Tie-in to Resource Programs | 15% | 15% | 0% | n/a | | 0% | 0% | 0% | 0% |
| Program Innovation | 30% | 15% | 45% | n/a | | 45% | 45% | 45% | 45% |
| Skill and Experience | 10% | 10% | 10% | n/a | 10% | 0% | 0% | 0% | 10% |
| 6. Non-Resource Under SCE, SDG&E ar | 5% | 10% | 5% | n/a | 10% | 5% | 5% | 5% | 5% |
| Portfolio Fit | | | | | 25% | | | | |
| Innovation | | | | | 20% | | | | |
| WMDVBE | | | | | 10% | | | | |
| Totals | 100% | 100% | 100% | n/a | 100% | 100% | 100% | 100% | 100% |

NOTE: PG&E did not propose a non-resource solicitation. * PG&E and its PRG should continue to explore the issue of a future solicitation for non-resource programs (and appropriate review/weighting criteria) after the resource portfolio is complete, as discussed in this decision.

SDG&E is required to consider "cost efficiencies", rather than "budgets" as the Stage 2 review criteria for its non-resource programs, consistent with the other proposals.

2006-2008 Energy Efficiency Competitive Bid: Criteria and Weighting

Stage 2: Proposed and Adopted (*) Criteria and Weighting

3. SDG&E and SoCalGas Innovative Idea (Emerging Technologies) and SCE INDEE

| Criteria | Weights | | | | | | | | |
|--|--------------|-------------|-------------|------------|------------|-------------|-------------|-------------|-------------|
| | SCE Revised* | SCE | SCE PRG | PGE | PG&E PRG | SDG&E* | SDG&E PRG | SCG* | SCG PRG |
| kWh and kW Potential | 20% | 25% | 20% | n/a | n/a | 20% | 20% | 20% | 20% |
| Cost Effectiveness | 20% | 10% | 20% | n/a | n/a | 20% | 20% | 20% | 20% |
| Program Implementation and Feasibility | 15% | 15% | 15% | n/a | n/a | 20% | 20% | 20% | 15% |
| Program Innovation | 30% | 30% | 30% | n/a | n/a | 35% | 35% | 35% | 30% |
| Skill and Experience | 10% | 10% | 10% | n/a | n/a | 0% | 0% | 0% | 10% |
| Minimizing Lost Opportunities | 5% | 10% | 5% | n/a | n/a | 5% | 5% | 5% | 5% |
| Totals | 100% | 100% | 100% | n/a | n/a | 100% | 100% | 100% | 100% |

NOTE: PG&E does not propose an solicitation for Emerging Technologies. Instead, PG&E proposes a solicitation seeking "innovative" programs. The criteria are listed below.

4. PG&E's Innovative Solicitation (not Emerging Technologies)

| Criteria | Weights | |
|--|-------------|-------------|
| | PG&E | PG&E PRG |
| Levelized Cost | 20% | 20% |
| Portfolio Fit/Improved Portfolio Performance | 20% | 20% |
| Comprehensiveness/No Lost Opportunities | 10% | 10% |
| Innovation | 30% | 30% |
| Experience | 10% | 10% |
| WMDVBE | 10% | 10% |
| Totals | 100% | 100% |

5. Integrated DSM Solicitation

| Criteria | Weights | | | | | | | |
|--------------------------------------|------------|------------|-------------|-----------|------------|------------|------------|------------|
| | SCE | SCE PRG | PGE | PG&E PRG | SDG&E | SDG&E PRG | SCG | SCG PRG |
| Levelized Costs | n/a | n/a | 20% | | n/a | n/a | n/a | n/a |
| Portfolio Fit/Improved Performance | n/a | n/a | 15% | | n/a | n/a | n/a | n/a |
| Comprehensiveness/Lost Opportunities | n/a | n/a | 15% | | n/a | n/a | n/a | n/a |
| Program Innovation | n/a | n/a | 0% | | n/a | n/a | n/a | n/a |
| Integrated DSM | n/a | n/a | 30% | | n/a | n/a | n/a | n/a |
| WMDVBE | n/a | n/a | 10% | | n/a | n/a | n/a | n/a |
| Experience | n/a | n/a | 10% | | n/a | n/a | n/a | n/a |
| Totals | n/a | n/a | 100% | 0% | n/a | n/a | n/a | n/a |

NOTE: Only PG&E proposed an integrated DSM solicitation. **We adopt the PRG recommendation that PG&E not issue an Integrated DSM Solicitation until PG&E does further work with other utilities to assess potential for integrated DSM. See PG&E PRG Report, mimeo p. 22.*

2006-2008 Energy Efficiency Competitive Bid: Criteria and Weighting

Stage 2: Proposed and Adopted (*) Criteria and Weighting

6. Resource Under SCE, SDG&E and SoCalGas Targeted Solicitations

| Criteria | Weights | | | | | | |
|--|--------------|-------------|-------------|-------------|-------------|-------------|-------------|
| | SCE Revised* | SCE | SCE PRG | SDG&E* | SDG&E PRG | SCG* | SCG PRG |
| kWh and kW Potential | 35% | 30% | 35% | 30% | 30% | 30% | 30% |
| Cost Effectiveness | 25% | 25% | 25% | 25% | 25% | 25% | 25% |
| Program Implementation and Feasibility | 15% | 15% | 15% | 25% | 25% | 25% | 25% |
| Program Innovation | 10% | 15% | 10% | 15% | 15% | 15% | 15% |
| Skill and Experience | 10% | 10% | 10% | 0% | 0% | 0% | 0% |
| Minimizing Lost Opportunities | 5% | 5% | 5% | 5% | 5% | 5% | 5% |
| Levelized Costs | | | | | | | |
| Portfolio Fit/Improved Performance | | | | | | | |
| Comprehensiveness/Lost Opportunities | | | | | | | |
| WMDVBE | | | | | | | |
| Totals | 100% | 100% | 100% | 100% | 100% | 100% | 100% |

NOTE: PG&E's "Targeted Markets" solicitation covers nearly all of PG&E's resource programs (except statewide consistent mass market and upstream lighting programs). Thus, proposed criteria and weights for PG&E's "Targeted Markets" solicitation are presented under 1 above.

7. Non-Resource under SCE, SDG&E and SoCalGas Targeted Solicitations

| Criteria | Weights | | | | | | | | |
|--|-------------|-------------|-------------|------------|-------------|-------------|-------------|-------------|-------------|
| | SCE-Revised | SCE* | SCE PRG | PGE | PG&E PRG | SDG&E* | SDG&E PRG | SCG* | SCG PRG |
| Cost Efficiencies | 40% | 30% | 40% | n/a | 25% | 0% | 0% | 30% | 30% |
| Budgets (*Cost Efficiencies) | 0% | 0% | 0% | n/a | | 30% | 30% | 0% | 0% |
| Program Implementation and Feasibility | 20% | 20% | 20% | n/a | | 35% | 35% | 35% | 35% |
| kWh, kW Tie-in to Resource Programs | 15% | 20% | 15% | n/a | | 0% | 0% | 0% | 0% |
| Program Innovation | 15% | 15% | 15% | n/a | 20% | 25% | 25% | 25% | 25% |
| Skill and Experience | 10% | 10% | 10% | n/a | 10% | 0% | 0% | 0% | 0% |
| Minimizing Lost Opportunities | 0% | 5% | 0% | n/a | 10% | 10% | 10% | 10% | 10% |
| Portfolio Fit | | | | n/a | 25% | | | | |
| WMDVBE | | | | n/a | 10% | | | | |
| Totals | | 100% | 100% | n/a | 100% | 100% | 100% | 100% | 100% |

NOTE: PG&E did not propose a non-resource solicitation. * PG&E and its PRG should continue to explore the issue of a future solicitation for non-resource programs (and appropriate review/weighting criteria) after the resource portfolio is complete, as discussed in this decision.

*SDG&E is required to consider "cost efficiencies", rather than "budgets" as the Stage 2 review criteria for its non-resource programs, consistent with the other proposals.

2006-2008 Energy Efficiency Competitive Bid: Criteria and Weighting

Approach to Portfolio Integration After Stage 2 Process Is Complete

PG&E:

During this "Integration Phase," PG&E will evaluate all proposals that remain after PG&E's "Stage 2" process is complete for how well the proposal will fit into its portfolio before making final selections about which third party proposals to fund and at what level. The factors that PG&E will consider during integration are: overall portfolio cost effectiveness and levelized costs; individual program cost-effectiveness and levelized costs, percentage of funding allocated to each type of program, percent of funds allocated to each market segment and rate class, geographic areas covered by each program, whether the proposal addresses constrained areas, market segments covered by each program, total market potential vs. percent of savings forecast for each market segment, portfolio comprehensiveness including coverage of market segments, measure mix and/or end uses, complementary program offerings and/or extent of overlap and duplication of programs and level of coordination required to successfully implement the proposal. This "portfolio fit/integration" stage occurs after Stage 2.

SCE:

Targeted programs are managed in the pre-determined areas of the portfolio. Portfolio management for IDEEA and INDEE requires managers to look for programs that may target market and technology niches that the current portfolio programs, through its existing delivery channels, may not be able to penetrate. In addition a balance is sought for the following:

- Distribution of residential and nonresidential programs,
- Program delivery mechanism (incentive, direct install, etc.), and/or
- Customer education delivery mechanism.

SDG&E/SoCalGas:

SDG&E and SoCalGas will work with their respective PRGs to ensure that the overall portfolio remains cost effective and will provide long term savings. In addition, the utilities will ensure that all market sectors have programs to serve its customers, avoiding overlaps between programs, address policy rules/needs. SDG&E and SoCalGas will present and discuss with their respective PRGs the short list of selected proposals prior to making its final selection to obtain their feedback on the selection.

SDG&E Electric Proposed Class Average Rate and Bill Impacts - Energy Efficiency

| Customer Class | Average Usage (kWh) | 2005 Avg Rate (¢/KWhr) | 2005 Average Bill (\$) | 2006 Average Rate Change vs 2005 (¢/KWhr) | 2006 Average Bill Change vs 2005 (\$) | 2006 % Change vs 2005 | 2007 Average Rate Change vs 2005 (¢/KWhr) | 2007 Average Bill Change vs 2005 (\$) | 2007 % Change vs 2005 | 2008 Average Rate Change vs 2005 (¢/KWhr) | 2008 Average Bill Change vs 2005 (\$) | 2008 % Change vs 2005 |
|---------------------------------|---------------------|------------------------|------------------------|---|---------------------------------------|-----------------------|---|---------------------------------------|-----------------------|---|---------------------------------------|-----------------------|
| Residential | | | | | | | | | | | | |
| Sch DR* | 500 | | 70.24 | | 0.13 | 0.2% | | 0.37 | 0.5% | | 0.54 | 0.8% |
| Sch DR** | 800 | | 128.02 | | 0.72 | 0.6% | | 2.09 | 1.6% | | 3.06 | 2.4% |
| Class Avg | 485 | 14.956 | 72.54 | 0.058 | 0.28 | 0.4% | 0.172 | 0.84 | 1.2% | 0.253 | 1.23 | 1.7% |
| Small Commercial | 1,490 | 16.929 | 252.24 | 0.082 | 1.22 | 0.5% | 0.252 | 3.76 | 1.5% | 0.374 | 5.57 | 2.2% |
| Medium and Large C&I | 43,421 | 11.657 | 5,061.59 | -0.033 | (14.51) | -0.3% | 0.076 | 33.07 | 0.7% | 0.154 | 66.87 | 1.3% |
| Agriculture | 1,956 | 15.273 | 298.74 | 0.070 | 1.36 | 0.5% | 0.240 | 4.70 | 1.6% | 0.361 | 7.06 | 2.4% |
| Streetlights | 1,373 | 16.169 | 222.00 | -0.110 | (1.52) | -0.7% | -0.002 | (0.03) | 0.0% | 0.074 | 1.02 | 0.5% |

* Represents the monthly bill impact for a typical residential customer using 500 kWh per month, and reflects an average of coastal and inland climate zones.

** Represents the monthly bill impact for a residential customer with higher than typical usage of 800 kWh per month.

Data Sources:

Rate Impacts: Appendix B, Table 2 of the Direct Testimony of Lisa Davidson

Residential Typical Bill Impacts: Derived from Appendix C of the Direct Testimony of Lisa Davidson (for 2006 only). Versions of the same model were used to calculate 2007 and 2008 bill impacts.

Average Bills calculated using average usage * class average rate.

Southern California Edison Company
2006-2008 Energy Efficiency Program Proposals
Average Rate and Bill Impact Estimates - by Rate Group
Rates Effective April 14, 2005
Bundled Service

| | 2005 | | | 2006 | | | 2007 | | | 2008 | | |
|------------------------|-----------------------------|-----------------------|---------------------------|------------------------------|------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|------------------------------|------------------------------|---------------------------|
| | Average Monthly Usage (kWh) | Average Rate (\$/kWh) | Average Monthly Bill (\$) | Average Rate Change vs. 2005 | Average Bill Change vs. 2005 | Average % Change vs. 2005 | Average Rate Change vs. 2005 | Average Bill Change vs. 2005 | Average % Change vs. 2005 | Average Rate Change vs. 2005 | Average Bill Change vs. 2005 | Average % Change vs. 2005 |
| Residential | 550 | 0.13052 | 72 | 0.00063 | 0.35 | 0.48% | 0.00063 | 0.35 | 0.48% | 0.00063 | 0.35 | 0.48% |
| Lighting-SM Med Power | | | | | | | | | | | | |
| GS-1 | 885 | 0.15024 | 133 | 0.00078 | 0.69 | 0.52% | 0.00078 | 0.69 | 0.52% | 0.00078 | 0.69 | 0.52% |
| GS-2 | 14,152 | 0.13697 | 1,938 | 0.00067 | 9.43 | 0.49% | 0.00067 | 9.43 | 0.49% | 0.00067 | 9.43 | 0.49% |
| TC-1 | 498 | 0.10929 | 54 | 0.00062 | 0.31 | 0.57% | 0.00062 | 0.31 | 0.57% | 0.00062 | 0.31 | 0.57% |
| TOU-GS-2 | 28,131 | 0.09743 | 2,741 | 0.00065 | 18.40 | 0.67% | 0.00065 | 18.40 | 0.67% | 0.00065 | 18.40 | 0.67% |
| Group Total | 3,766 | 0.13821 | 521 | 0.00068 | 2.58 | 0.50% | 0.00068 | 2.58 | 0.50% | 0.00068 | 2.58 | 0.50% |
| Large Power | | | | | | | | | | | | |
| TOU-8-SEC | 292,038 | 0.11158 | 32,585 | 0.00057 | 167.22 | 0.51% | 0.00057 | 167.22 | 0.51% | 0.00057 | 167.22 | 0.51% |
| TOU-8-PRI | 617,511 | 0.10589 | 65,390 | 0.00054 | 333.88 | 0.51% | 0.00054 | 333.88 | 0.51% | 0.00054 | 333.88 | 0.51% |
| TOU-8-SUB | 2,596,153 | 0.07102 | 184,379 | 0.00035 | 909.89 | 0.49% | 0.00035 | 909.89 | 0.49% | 0.00035 | 909.89 | 0.49% |
| Group Total | 464,021 | 0.10017 | 44,761 | 0.00049 | 227.18 | 0.51% | 0.00049 | 227.18 | 0.51% | 0.00049 | 227.18 | 0.51% |
| Agricultural & Pumping | | | | | | | | | | | | |
| PA-1 | 1,718 | 0.14906 | 256 | 0.00074 | 1.27 | 0.49% | 0.00074 | 1.27 | 0.49% | 0.00074 | 1.27 | 0.49% |
| PA-2 | 9,914 | 0.10707 | 1,062 | 0.00052 | 5.18 | 0.49% | 0.00052 | 5.18 | 0.49% | 0.00052 | 5.18 | 0.49% |
| TOU-AG | 24,852 | 0.08128 | 2,020 | 0.00043 | 10.75 | 0.53% | 0.00043 | 10.75 | 0.53% | 0.00043 | 10.75 | 0.53% |
| TOU-PA-5 | 48,119 | 0.07443 | 3,581 | 0.00042 | 20.13 | 0.56% | 0.00042 | 20.13 | 0.56% | 0.00042 | 20.13 | 0.56% |
| Group Total | 8,410 | 0.09191 | 773 | 0.00048 | 4.05 | 0.52% | 0.00048 | 4.05 | 0.52% | 0.00048 | 4.05 | 0.52% |
| Street & Area Lighting | 1,634 | 0.13798 | 226 | 0.00065 | 1.07 | 0.47% | 0.00065 | 1.07 | 0.47% | 0.00065 | 1.07 | 0.47% |
| System Total | 1,291 | 0.12515 | 162 | 0.00060 | 0.78 | 0.48% | 0.00060 | 0.78 | 0.48% | 0.00060 | 0.78 | 0.48% |

Notes:
2005 class averages based on 2005 sales forecast and rates effective April 14, 2005. 2006 impacts assume an increase in authorized EE revenue of \$55.773 million. Authorized revenues are allocated to rate groups based on the System Average Percentage (SAP) methodology and recovered through the Public Purpose Program charge. This charge is identical for bundled service and DA customers. Subsequent years assume no EE revenue increases over 2006.

Southern California Edison Company
2006-2008 Energy Efficiency Program Proposals
Average Rate and Bill Impact Estimates - by Rate Group
Rates Effective April 14, 2005
Direct Access Service

| | 2005 | | | 2006 | | | 2007 | | | 2008 | | |
|------------------------|-----------------------------|-----------------------|---------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|-----------------------------|-----------------------------|--------------------------|
| | Average Monthly Usage (kWh) | Average Rate (\$/kWh) | Average Monthly Bill (\$) | Average Rate Change vs 2005 | Average Bill Change vs 2005 | Average % Change vs 2005 | Average Rate Change vs 2005 | Average Bill Change vs 2005 | Average % Change vs 2005 | Average Rate Change vs 2005 | Average Bill Change vs 2005 | Average % Change vs 2005 |
| Residential | 782 | 0.08290 | 65 | 0.00063 | 0.49 | 0.76% | 0.00063 | 0.49 | 0.76% | 0.00063 | 0.49 | 0.76% |
| Lighting-SM Med Power | | | | | | | | | | | | |
| GS-1 | 885 | 0.08562 | 76 | 0.00078 | 0.69 | 0.91% | 0.00078 | 0.69 | 0.91% | 0.00078 | 0.69 | 0.91% |
| GS-2 | 47,382 | 0.06145 | 2,912 | 0.00067 | 31.58 | 1.08% | 0.00067 | 31.58 | 1.08% | 0.00067 | 31.58 | 1.08% |
| TC-1 | 418 | 0.07121 | 30 | 0.00062 | 0.26 | 0.88% | 0.00062 | 0.26 | 0.88% | 0.00062 | 0.26 | 0.88% |
| TOU-GS-2 | 33,042 | 0.05322 | 1,759 | 0.00065 | 21.61 | 1.23% | 0.00065 | 21.61 | 1.23% | 0.00065 | 21.61 | 1.23% |
| Group Total | 22,249 | 0.06172 | 1,373 | 0.00068 | 15.23 | 1.11% | 0.00068 | 15.23 | 1.11% | 0.00068 | 15.23 | 1.11% |
| Large Power | | | | | | | | | | | | |
| TOU-8-SEC | 352,858 | 0.05999 | 21,169 | 0.00057 | 202.05 | 0.95% | 0.00057 | 202.05 | 0.95% | 0.00057 | 202.05 | 0.95% |
| TOU-8-PRI | 957,379 | 0.05330 | 51,033 | 0.00054 | 517.65 | 1.01% | 0.00054 | 517.65 | 1.01% | 0.00054 | 517.65 | 1.01% |
| TOU-8-SUB | 4,842,909 | 0.03619 | 175,274 | 0.00035 | 1,697.32 | 0.97% | 0.00035 | 1,697.32 | 0.97% | 0.00035 | 1,697.32 | 0.97% |
| Group Total | 939,522 | 0.04599 | 43,210 | 0.00049 | 459.99 | 1.06% | 0.00049 | 459.99 | 1.06% | 0.00049 | 459.99 | 1.06% |
| Agricultural & Pumping | | | | | | | | | | | | |
| PA-1 | 5,360 | 0.06294 | 337 | 0.00074 | 3.95 | 1.17% | 0.00074 | 3.95 | 1.17% | 0.00074 | 3.95 | 1.17% |
| PA-2 | 27,857 | 0.05401 | 1,505 | 0.00052 | 14.57 | 0.97% | 0.00052 | 14.57 | 0.97% | 0.00052 | 14.57 | 0.97% |
| TOU-AG | 78,143 | 0.06189 | 4,837 | 0.00043 | 33.80 | 0.70% | 0.00043 | 33.80 | 0.70% | 0.00043 | 33.80 | 0.70% |
| TOU-PA-5 | 70,558 | 0.05481 | 3,867 | 0.00042 | 29.52 | 0.76% | 0.00042 | 29.52 | 0.76% | 0.00042 | 29.52 | 0.76% |
| Group Total | 44,562 | 0.06060 | 2,700 | 0.00048 | 21.47 | 0.80% | 0.00048 | 21.47 | 0.80% | 0.00048 | 21.47 | 0.80% |
| Street & Area Lighting | 1,482 | 0.05620 | 83 | 0.00065 | 0.97 | 1.16% | 0.00065 | 0.97 | 1.16% | 0.00065 | 0.97 | 1.16% |
| System Total | 24,922 | 0.05142 | 1,281 | 0.00060 | 15.07 | 1.18% | 0.00060 | 15.07 | 1.18% | 0.00060 | 15.07 | 1.18% |

Notes:
2005 class averages based on 2005 sales forecast and rates effective April 14, 2005. 2006 impacts assume an increase in authorized EE revenue of \$55.773 million. Authorized revenues are allocated to rate groups based on the System Average Percentage (SAP) methodology and recovered through the Public Purpose Program charge. This charge is identical for bundled service and DA customers. Subsequent years assume no EE revenue increases over 2006.

**Pacific Gas & Electric Company
A.05-06-001
Expected Rate and Bill Impacts**

| Customer Class | Average Usage (kWh/Therm) | 2005 Avg Rate** | 2005 Average Bill** | 2006 Average Rate Change | 2006 Average Bill Change | 2006 % Change vs 2005 | 2007 Average Rate Change vs 2005 | 2007 Average Bill Change vs 2005 | 2007 % Change vs 2005 | 2008 Average Rate Change vs 2005 | 2008 Average Bill Change vs 2005 | 2008 % Change vs 2005 |
|----------------------|---------------------------|-----------------|---------------------|--------------------------|--------------------------|-----------------------|----------------------------------|----------------------------------|-----------------------|----------------------------------|----------------------------------|-----------------------|
| ELECTRIC | | | | | | | | | | | | |
| Bundled | | | | | | | | | | | | |
| Residential | | | | | | | | | | | | |
| Sch E-1* | 540 | \$0.12235 | \$66.07 | \$0.00019 | \$0.10 | 0.2% | \$0.00030 | \$0.16 | 0.2% | \$0.00048 | \$0.26 | 0.4% |
| Sch E-1* | 840 | \$0.14479 | \$121.62 | \$0.00113 | \$0.95 | 0.8% | \$0.00187 | \$1.57 | 1.3% | \$0.00299 | \$2.51 | 2.1% |
| Class Avg | 559 | \$0.12870 | \$71.95 | \$0.00081 | \$0.46 | 0.6% | \$0.00132 | \$0.74 | 1.0% | \$0.00211 | \$1.18 | 1.6% |
| SLP | 1,590 | \$0.15046 | \$239.22 | \$0.00088 | \$1.41 | 0.6% | \$0.00143 | \$2.28 | 1.0% | \$0.00230 | \$3.65 | 1.5% |
| Medium | 19,882 | \$0.14221 | \$2,827.36 | \$0.00072 | \$14.26 | 0.5% | \$0.00116 | \$23.14 | 0.8% | \$0.00186 | \$37.03 | 1.3% |
| E-19 | 79,600 | \$0.12870 | \$10,244.48 | \$0.00062 | \$49.17 | 0.5% | \$0.00100 | \$79.80 | 0.8% | \$0.00160 | \$127.72 | 1.2% |
| Streetlights | 869 | \$0.15128 | \$131.42 | \$0.00083 | \$0.72 | 0.5% | \$0.00135 | \$1.17 | 0.9% | \$0.00216 | \$1.88 | 1.4% |
| Standby | 74,887 | \$0.13636 | \$10,211.30 | \$0.00065 | \$48.44 | 0.5% | \$0.00105 | \$78.61 | 0.8% | \$0.00168 | \$125.82 | 1.2% |
| Agriculture | 4,064 | \$0.11998 | \$487.64 | \$0.00068 | \$2.78 | 0.6% | \$0.00111 | \$4.51 | 0.9% | \$0.00178 | \$7.22 | 1.5% |
| E-20 | 852,504 | \$0.10711 | \$91,310.71 | \$0.00047 | \$397.57 | 0.4% | \$0.00076 | \$645.14 | 0.7% | \$0.00121 | \$1,032.61 | 1.1% |
| Direct Access | | | | | | | | | | | | |
| Re Avg | 658 | \$0.08418 | \$55.39 | \$0.00081 | \$0.53 | 1.0% | \$0.00131 | \$0.86 | 1.6% | \$0.00210 | \$1.38 | 2.5% |
| SLP | 4,674 | \$0.08351 | \$390.34 | \$0.00080 | \$3.74 | 1.0% | \$0.00130 | \$6.07 | 1.6% | \$0.00208 | \$9.71 | 2.5% |
| Medium | 36,499 | \$0.06522 | \$2,380.39 | \$0.00072 | \$26.18 | 1.1% | \$0.00116 | \$42.48 | 1.8% | \$0.00186 | \$67.99 | 2.9% |
| E-19 | 98,465 | \$0.06063 | \$5,970.16 | \$0.00062 | \$61.01 | 1.0% | \$0.00101 | \$99.00 | 1.7% | \$0.00161 | \$158.45 | 2.7% |
| Agriculture | 35,395 | \$0.06235 | \$2,206.86 | \$0.00058 | \$20.38 | 0.9% | \$0.00093 | \$33.07 | 1.5% | \$0.00150 | \$52.92 | 2.4% |
| E-20 | 1,930,591 | \$0.03946 | \$76,189.19 | \$0.00041 | \$799.03 | 1.0% | \$0.00067 | \$1,296.58 | 1.7% | \$0.00107 | \$2,075.31 | 2.7% |

* Baseline Territory X, Basic Service
** Rates effective March 1, 2005, consistent with PG&E's Application. Electric rates changed on June 1, 2005.

GAS

| | | | | | | | | | | | | |
|--|---------|---------|-------------|-----------|----------|-------|-----------|----------|------|-----------|----------|------|
| Core Retail - Bundled (1) | | | | | | | | | | | | |
| Residential | 45 | \$1.117 | \$50.28 | \$0.00472 | \$0.21 | 0.42% | \$0.00193 | \$0.09 | 0.2% | \$0.00296 | \$0.13 | 0.3% |
| Commercial, Small | 296 | 1.082 | \$320.54 | \$0.00356 | \$1.06 | 0.33% | \$0.00146 | \$0.43 | 0.1% | \$0.00223 | \$0.66 | 0.2% |
| Commercial, Large | 32,092 | 0.899 | \$28,861.51 | \$0.01671 | \$536.27 | 1.86% | \$0.00684 | \$219.38 | 0.8% | \$0.01050 | \$336.83 | 1.2% |
| Core Retail - Transportation Only (2) | | | | | | | | | | | | |
| Residential | 53 | 0.386 | \$20.44 | \$0.00474 | \$0.25 | 1.23% | \$0.00191 | \$0.10 | 0.5% | \$0.00295 | \$0.16 | 0.8% |
| Commercial, Small | 1,137 | 0.359 | \$407.83 | \$0.00356 | \$4.05 | 0.99% | \$0.00146 | \$1.66 | 0.4% | \$0.00223 | \$2.54 | 0.6% |
| Commercial, Large | 3,751 | 0.201 | \$754.65 | \$0.01671 | \$62.68 | 8.31% | \$0.00684 | \$25.64 | 3.4% | \$0.01050 | \$39.37 | 5.2% |
| Noncore - Transportation Only (2) | | | | | | | | | | | | |
| Industrial Distribution | 42,999 | 0.120 | \$5,158.18 | \$0.00113 | \$48.53 | 0.94% | \$0.00046 | \$19.81 | 0.4% | \$0.00071 | \$30.48 | 0.6% |
| Industrial Transmission | 336,492 | 0.042 | \$14,270.62 | \$0.00073 | \$244.03 | 1.71% | \$0.00030 | \$99.86 | 0.7% | \$0.00045 | \$153.03 | 1.1% |
| Industrial Backbone | N/A*** | 0.024 | \$0.00000 | \$0.00 | \$0.00 | 0.00% | \$0.00000 | \$0.00 | 0.0% | \$0.00000 | \$0.00 | 0.0% |
| Electric Generation | N/A*** | 0.016 | \$0.00000 | \$0.00 | \$0.00 | 0.00% | \$0.00000 | \$0.00 | 0.0% | \$0.00000 | \$0.00 | 0.0% |
| EG Backbone | N/A*** | 0.001 | \$0.00000 | \$0.00 | \$0.00 | 0.00% | \$0.00000 | \$0.00 | 0.0% | \$0.00000 | \$0.00 | 0.0% |
| Wholesale - Transportation Only (2) | | | | | | | | | | | | |
| Wholesale | N/A*** | 0.017 | \$0.00000 | \$0.00 | \$0.00 | 0.00% | \$0.00000 | \$0.00 | 0.0% | \$0.00000 | \$0.00 | 0.0% |

Prepared July 14 2005

*** N/A indicates that there is no rate change

(1) Bundled core rates include: i) an illustrative procurement component that recovers intrastate and interstate backbone transmission charges, storage, brokerage fees and an average annual Weighted Average Cost of Gas (WACOG) of \$0.61479 per therm; ii) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and iii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs. Actual procurement rate changes monthly.

(2) Transportation Only rates include: i) a transportation component that recovers customer class charges, customer access charges, CPUC fees, local transmission (where applicable) and distribution costs (where applicable); and ii) where applicable, a gas public purpose program surcharge that recovers the costs of low income California Alternate Rates for Energy (CARE), low income energy efficiency, customer energy efficiency, Research Development and Demonstration program and BOE/CPUC Admin costs. Transportation only customers must arrange for their own gas purchases and transportation to PG&E's citygate/local transmission system.

TABLE SCG - Bill Impact
Southern California Gas Company

| Customer Class | Average Usage | 2005 Avg Rate | 2005 Average Bill | 2006 Average Rate | 2006 Average Bill | 2006 % Change vs 2005 | 2007 Average Rate | 2007 Average Bill | 2007 % Change vs 2005 | 2008 Average Rate | 2008 Average Bill | 2008 % Change vs 2005 | Annual Sales | Annual Customer | Avg Usage | |
|------------------------|---------------|---------------|-------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|-----------------------|-------------------|-------------------|-----------------------|--------------|-----------------|------------|---|
| | (therms) | (\$/therm) | (\$) | (\$) | (\$) | (%) | (\$) | (\$) | (%) | (\$) | (\$) | (%) | (mth) | (Customers) | (Thm / Yr) | |
| | A | B | C | D | E | F | G | H | I | J | K | L | M | N | O | |
| 1 Residential | 44 | \$1.09 | \$47.90 | \$0.00268 | \$0.12 | 0.2% | \$0.00473 | \$0.21 | 0.4% | \$0.00664 | \$0.29 | 0.6% | 2,484,024 | 4,695,661 | 529 | 1 |
| 2 Core C&I | 291 | \$0.91 | \$265.50 | \$0.01052 | \$3.06 | 1.2% | \$0.01773 | \$5.16 | 1.9% | \$0.02445 | \$7.11 | 2.7% | 700,113 | 200,480 | 3,492 | 2 |
| 3 Gas Air Conditioning | 4,907 | \$0.76 | \$3,708.81 | \$0.02035 | \$99.84 | 2.7% | \$0.02610 | \$128.10 | 3.5% | \$0.03147 | \$154.45 | 4.2% | 1,060 | 18 | 58,889 | 3 |
| 4 Gas Engine | 1,819 | \$0.82 | \$1,492.23 | \$0.01645 | \$29.92 | 2.0% | \$0.02173 | \$39.53 | 2.6% | \$0.02665 | \$48.49 | 3.2% | 15,240 | 698 | 21,834 | 4 |
| 5 Non-core C&I | 104,472 | \$0.08 | \$8,209.15 | \$0.00230 | \$240.66 | 2.9% | \$0.00296 | \$309.05 | 3.8% | \$0.00357 | \$372.84 | 4.5% | 1,456,757 | 1,162 | 1,253,664 | 5 |

Source: Tables 4-6 of the Direct Testimony of SoCalGas-Witness Yu Kai Chen.

Notes:

- 1) Core avg rate includes procurement, transportation, and PPP costs.
- 2) Non-core avg rate includes transportation and PPP costs.
- 3) 12-month WACOG ending July 2005 at 60.1¢ is used as a proxy for the procurement rate for all three years.
- 4) Current transportation rates are used for all three years.

TABLE SDG&E - Bill Impact

San Diego Gas & Electric Company - Gas Department

| Customer Class | Average Usage (therms) A | 2005 Avg Rate (\$/therm) B | 2005 Average Bill (\$) C | 2006 | 2006 | 2006 % | 2007 | 2007 | 2007 % | 2008 | 2008 | 2008 % | Annual Sales (mth) M | Annual Cust- mo (Customers) N | Avg Usage (Thm / Yr) O | |
|----------------------------|--------------------------------|----------------------------------|--------------------------------|--|--|-------------------------------|--|--|-------------------------------|--|--|-------------------------------|----------------------------|--|------------------------------|---|
| | | | | Average Rate Change vs 2005 (\$) D | Average Bill Change vs 2005 (\$) E | Change vs 2005 (%) F | Average Rate Change vs 2005 (\$) G | Average Bill Change vs 2005 (\$) H | Change vs 2005 (%) I | Average Rate Change vs 2005 (\$) J | Average Bill Change vs 2005 (\$) K | Change vs 2005 (%) L | | | | |
| Residential | 38 | \$1.19 | \$45.43 | -\$0.00831 | -\$0.32 | -0.7% | -\$0.00771 | -\$0.29 | -0.6% | -\$0.00690 | -\$0.26 | -0.6% | 326,207 | 711,899 | 458 | 1 |
| Core C&I | 394 | \$0.95 | \$374.48 | \$0.01657 | \$6.52 | 1.7% | \$0.01913 | \$7.53 | 2.0% | \$0.02264 | \$8.92 | 2.4% | 129,794 | 27,466 | 4,726 | 2 |
| Natural Gas Vehicle | 1,112 | \$1.05 | \$1,166.51 | -\$0.00256 | -\$2.85 | -0.2% | -\$0.00256 | -\$2.85 | -0.2% | -\$0.00256 | -\$2.85 | -0.2% | 4,030 | 302 | 13,344 | 3 |
| Non-core C&I | 79,825 | \$0.12 | \$9,762.08 | \$0.01947 | \$1,554.08 | 15.9% | \$0.02249 | \$1,795.17 | 18.4% | \$0.02663 | \$2,125.96 | 21.8% | 86,211 | 90 | 957,900 | 4 |

Source: Tables 4-6 of the Direct Testimony of SDG&E-Witness Yu Kai Chen.

Notes:

- 1) Core avg rate includes procurement, transportation, and PPP costs.
- 2) Non-core avg rate includes transportation and PPP costs.
- 3) 12-month WACOG ending July 2005 at 63.4¢ is used as a proxy for the procurement rate for all three years.
- 4) Current transportation rates are used for all three years.

ATTACHMENT 8

Planning Schedule For Coordination of Statewide Activities

| Item | Background | Tasks | Due Dates |
|---|--|---|---------------|
| 1 Statewide marketing and outreach. | The IOUs and Efficiency Partnership should submit a joint plan on statewide marketing and outreach initiatives. Currently that is a general lack of knowledge and confusion on how the IOUs local marketing and outreach efforts will integrate without duplicating or confusing statewide activities. A joint statewide plan would help mitigate these problems. The plan should address issues including: co-branding with 3rd party programs, coordination with both IOU and non-IOU program-specific marketing activities (particularly for non-resource programs), and marketing targeted at hard-to-reach segments (this includes the activities carried out by Runyon Saltzman & Einhorn and Univision Television Group funded in the 2004-05 program cycle). | 1 IOU Coordination – general marketing strategy/coordination and identify top 3 programs/measures for SW promotion. | 7/7/05 |
| | | 2 Implementer Coordination - Discussion and agreement with IOUs and implementers on overarching plan | 6/28-7/26 |
| | | 3 Prepare and present SW plans at SW PAG meeting. | 8/2/05 |
| | | 4 Respond to all PAG/PRG recommendations, if any, in coordination with all IOUs/implementers. | 8/5/05 |
| | | 5 Incorporate additional program detail in Compliance filing. | various dates |
| 2 Statewide manufacture, distribution, and retail programs. Customer Incentives | As a first step, PAG and PRG members encouraged the IOUs to develop a full menu of energy saving equipment and appliances, assess whether increasing the production and distribution of the mass market measures is most workable at the manufacturer level, distribution level, or both. It was suggested that a summary possibly in a matrix format would be helpful, along with a discussion of what works, and why and why not. The IOUs did some of this (albeit very late in the PAG process) largely demonstrating certain aspects of consistency, with coordination and market leverage, largely unaddressed. | 1 Identify SW Teams | 6/27/05 |
| | | 2 IOU Coordination – develop statewide plans for each SW activity | 6/28-7/26 |
| | | 3 Prepare and present SW plans at SW PAG meeting. | 8/2/05 |
| | | 4 Respond to all PAG/PRG recommendations, if any, in coordination with all IOUs/implementers. | 8/5/05 |
| | | 5 RFP - Stage 1 Release | 8/10/05 |
| | | 6 Incorporate additional program detail in Compliance filing. | various dates |
| 3 SW collaboration to integrate EE/DR/SGIP to end users. | The market integration of demand-side programs is a new program concept that affects all market sectors. By exchanging ideas and soliciting comments from the PAG members, we expect that the IOUs will be able produce a more concrete strategy that delivers demand-side programs at the most cost effective manner without adding more confusion from the customer perspective. | 1 Identify SW Team | 6/27/05 |
| | | 2 IOU Coordination – develop statewide approach/plan for integration. | 6/28-7/26 |
| | | 3 Prepare and present SW coordination at SW PAG meeting. | 8/2/05 |
| | | 4 Respond to all PAG/PRG recommendations, if any, in coordination with all IOUs/implementers. | 8/5/05 |
| | | 5 Incorporate additional program detail in Compliance filing. | various dates |

Planning Schedule For Coordination of Statewide Activities

| Item | Background | Tasks | Due Dates | |
|------|--|---|---|---------------|
| 4 | Statewide Emerging Technology program planning | The IOUs should jointly develop a detailed plan for the 2006-08 Emerging Technology program. The plan should include a target list of technologies/software/services to be explored over the next three years, estimated time to commercialize each item on the target list, as well as assessing the energy savings estimates. | 1 Identify SW Team | 6/27/05 |
| | | | 2 IOU Coordination – develop statewide plan which includes of target techonologies and schedules for each technology. | 6/28-7/26 |
| | | | 3 Prepare and present SW plan at SW PAG meeting. | 8/2/05 |
| | | | 4 Respond to all PAG/PRG recommendations, if any, in coordination with all IOUs/implementers. | 8/5/05 |
| | | | 5 Incorporate additional program detail in Compliance filing. | various dates |
| 5 | Statewide Codes & Standards program planning | The IOUs should jointly develop a detailed plan for the 2006-08 Codes & Standards program. The plan should include a target list of case studies, projected timeline for adoption by the CEC, and the estimated aggregate savings. | 1 Identify SW Team | 6/27/05 |
| | | | 2 IOU Coordination – develop statewide plan which includes a list of case studies, timelines and est. aggregate energy savings. | 6/28-7/26 |
| | | | 3 Prepare and present SW plan at SW PAG meeting. | 8/2/05 |
| | | | 4 Respond to all PAG/PRG recommendations, if any, in coordination with all IOUs/implementers. | 8/5/05 |
| | | | 5 Incorporate additional program detail in Compliance filing. | various dates |

Planning Schedule For Coordination of Statewide Activities

| Item | Background | Tasks | Due Dates |
|-----------------------------|--|---|---------------|
| 6 Program Agreements | The IOUs will work together to develop a set of program participation agreements that will be used across service territories. The participation agreements to be harmonized could include: -Customer Agreements for deemed and/or customized measures -License Agreement -Site Access Agreement -Retailer and Manufacturer Participation Agreements -Contractor Participation Agreements | 1 Identify SW Team | 6/27/05 |
| | | 2 IOU Coordination – Identify Program Agreements that should be harmonized to increase participation | 6/28-7/26 |
| | | 3 Prepare and present list of proposed agreements at SW PAG meeting. | 8/2/05 |
| | | 4 Respond to all PAG/PRG recommendations, if any, in coordination with all IOUs/implementers. | 8/5/05 |
| | | 5 Incorporate list of proposed common agreements in Compliance filing. | various dates |
| 7 Competitive Solicitations | IOUs are investigating ways to provide consistency in RFP template, where ever possible. | 1 Identify SW Team | 6/27/05 |
| | | 2 IOU Coordination – Identify and agree to a various aspects of the proposed competitive bid solicitations. | 8/1 - 9/23 |
| | | 3 Discuss bid package with PRGs | various dates |
| | | 4 Issue RFPs | various dates |

ATTACHMENT 9

DESCRIPTION OF FUNDSHIFTING PROPOSALS

Fund shifting guidelines or rules establish the level of flexibility that utility program administrators have (without prior authorization) to modify funding levels for specific energy efficiency activities as the portfolio plans are implemented. In particular, the guidelines establish the extent to which the utilities may shift funds among programs within the same program category, across program categories, carry over or carry forward funds from one program year to the next, as well as discontinue programs that are not performing or add new programs during the program cycle.

For purposes of illustration, an example of a fund shift “within program among budget subcategory” would be a shift of funds from marketing to technical outreach within PG&E’s Medical Facilities program – or more generally, between administrative costs and customer rebates. A shift “among programs within the same program category” would be a shift of funds from SCE’s Residential Energy Efficiency Incentive Program to its Residential Comprehensive HVAC Program, or a shift from PG&E’s Targeted Agricultural and Food Processing Program to its Targeted Schools and Colleges Program. A shift “among program categories” would be a shift of funds from one of SoCalGas’ residential programs, such as the Single Family Home Energy Efficiency Retrofit Program to one of its non-residential programs, such as the Statewide Nonresidential Express Efficiency Program. A shift from PG&E’s Mass Markets program to its one of its Targeted Markets programs, such as the High-Technology Facilities Program would be another example of a shift among program categories.

Throughout the course of this proceeding, several different sets of fund shifting guidelines were proposed for Commission consideration by the utilities and PRGs. At the direction of the ALJ, the CMS participants consolidated and narrowed the options for consideration, but were not able to come to a consensus.¹ At this time, there are four distinct proposals, summarized in Tables 9.1 through 9.4. These are referred to in the CMS as the (1) SDG&E, SoCalGas, SDG&E PRG and PG&E PRG Proposal, (2) SCE/SoCalGas PRG (Option A) Proposal, (3) SCE Revised

¹ CMS, pp. 21-31, Attachment 3.

Proposal and (4) PG&E Proposal. Disagreement remains regarding the degree to which the utilities should be allowed to shift funds without restriction, the specific triggers for Commission and/or PRG review and approval, and the actual processes for review and approval.

For the purpose of describing the proposals, we delineate among three broad program fund shifting categories: (1) EM&V, (2) Codes and Standards, Emerging Technologies and Statewide Marketing and Outreach and (3) Resource/Non-Resource Programs, which encompass multiple program categories. For PG&E, these categories are “Mass Market” and “Targeted Markets,” including the competitive bid components within each, corresponding to the two major components of their portfolio. For SDG&E, SoCalGas and SCE, the program categories under Resource/Non-Resource are “Residential”, “Non-Residential”, “Crosscutting (except EM&V, Codes and Standards and Statewide Marketing and Outreach)²” and “Competitive Bid”. It is important to recognize that the portfolio plans break down into different Resource/Non-Resource program categories for PG&E relative to the other utilities.

The utilities also use different definitions of “program” in the context of their portfolio plans and, by extension, fund shifting rules. SCE, SoCalGas and SDG&E utilize a more traditional definition that refers to the type of program offering, such as SDG&E’s “Express Efficiency Rebate” program. PG&E uses a broader definition to reflect its approach to portfolio development, where more traditional “programs” are grouped together by market sector. As a result, PG&E uses the term “program” to refer to each of the markets in its portfolio plan, such as, Mass Market, Agricultural & Food Processing, and Industrial. It is useful to keep these differences in mind when considering the fund shifting proposals outlined below.

In the following sections we first describe the range of fund shifting flexibility presented for our consideration, by fund-shifting category, and then discuss the different review/approval processes presented in those proposals.

² For example, SCE’s crosscutting programs under this category would include primarily information programs or programs to introduce new analytical tools that target both residential and nonresidential customer segments, including retrofit and new construction opportunities. See *Testimony of SCE*, pp. 43-44. These types of cross-cutting program activities would be encompassed to a large extent within PG&E’s Mass Market program.

1. Resource/Non-Resource Program Categories

As indicated in the attached tables, two of the fund shifting proposals provide the utilities with full discretion to shift funds among budget categories (e.g., marketing versus rebates) within each Resource/Non-Resource program category. Two would impose restrictions with respect to administrative costs. One proposes a 105% cap on the administrative budget at a portfolio level, and the other a 130% cap on the administrative budget at a program level. A review process is initiated when those limits are reached, as described in Section 3 below.

The proposals reflect basically two options for shifts among Resource/Non-Resource programs within the same category. Under PG&E's proposal, the utility would have complete discretion to shift funds among programs within the same category. Given the definition of "programs" and "categories" discussed above, this means that PG&E could shift funds within its Targeted Market program category, e.g., among Industrial, Schools and Colleges and Universities and Residential New Construction and the other targeted markets, without triggering a review process. The corollary for SCE, SDG&E and SoCalGas would be that they could shift funds among their different Non-Residential offerings (e.g., Non-Residential HVAC Program, Business Incentive Program, Retro-Commissioning Program for SCE) without triggering a review.

The other three proposals provide for fund shifting among programs within the same category up to 25% of the program budget or a specific dollar amount (varies by utility) on an annual basis. On a cumulative basis, the review process is triggered with shifts greater than 50% of the program budget.

For shifts among categories (e.g., between PG&E's Mass Market and Targeted Market categories), PG&E's proposal would trigger a review if shifts out of the Mass Market program category exceeded 30% of the budget on an annual basis. No review would be triggered if funds moved the other way, i.e., from the Targeted Market to Mass Market. The other three proposals would impose the same fund shifting restrictions as described above for among programs, within each category. So, for example, if SDG&E wanted to shift more than 25% of budgeted funds out of Residential programs to Non-Residential programs (or vice versa) in a single year, a review process would be triggered.

PG&E's fund shifting proposal for Resource/Non-Resource programs is silent on the issue of changes to the allocation of budgets between third-party implementers (selected via the competitive bid) and utility implementers. The other three proposals specifically trigger a review process if the allocation to third-party implementers selected via competitive bid is expected to fall below 20%. This trigger could occur either with shifts among programs (within the same category) or shifts among categories. In addition, a review process would be triggered if a new program were added outside of the competitive bid process.

One of the original fund shifting proposals would also trigger Commission review and approval for any proposed reduction in "long term programs" that exceeds 10% of the program's budget. Long term programs are defined for this purpose to include California New Homes, 50% of comprehensive HVAC Residential, Advantage Homes, Savings by Design, Sustainable Communities and 20% of partnerships.³ It is not clear from the CMS documents whether or not this limitation, included in the original Option A proposals for SCE and SoCalGas' PRG, remains part of any of the revised CMS proposals.

2. Codes and Standards, Emerging Technologies and Statewide Marketing and Outreach, and EM&V

The proposals do not differ greatly on the issue of fund shifting flexibility for Codes and Standards, Emerging Technologies, Statewide Marketing and Outreach, and EM&V. For purposes of this discussion, we consider Codes and Standards, Emerging Technologies and Statewide Marketing and Outreach ("C&S/ET/Statewide M&O") to be one category, and EM&V to be another. Therefore, a funding shift among Codes and Standards, Emerging Technologies and/or Statewide Marketing and Outreach programs would represent a shift "among programs, within category."⁴ An example of a shift among categories would be a shift out of these programs (or out of EM&V) to PG&E's Targeted Markets or SCE's Nonresidential programs.

For shifts among budget categories within the same program, the same options for Resource/Non-Resource programs are proposed for the

³ *Appendix 10.4: Peer Review Group Report on Southern California Edison Company's 2006-2008 Energy Efficiency Program Portfolio*, June 1, 2005, Appendices J and E, pp. 37, 46-48.

⁴ EM&V is considered to be a single category, within the EM&V program, so there would be no "shift among programs, within category" corollary.

C&S/ET/Statewide M&O program category. PG&E proposes unlimited flexibility, whereas the other three proposals would trigger a review process for funding shifts that increase the administrative cost budget category by a specified level. For EM&V, PG&E would allow unlimited shifts within the utility EM&V portion, but any shifts between the utility and Energy Division EM&V budget categories would trigger a review and approval process. The other proposals do not address fund shifting that would affect the allocation between utility and Energy Division EM&V budget categories.

Each of the four proposals would impose stricter restrictions on shifts out of the C&S/ET/Statewide O&M and EM&V categories or within program categories than would be imposed for the Resource/Non-Resource program categories. *Any* shifts among C&S, ET or Statewide O&M programs would trigger a review process, and any shifts out of that program category or out of EM&V to the Resource/Non-Resource program categories would also trigger a review process. The only difference among the proposals is that PG&E's proposal would require review for any amount of funding shifts out of these programs to other program categories, whereas the other three proposals would trigger the review with budget reductions greater than 1%.

3. Fund Shifting Review/Approval Process

The four utilities have proposed a number of different funding flexibility review and approval processes. The SCE proposal, for example, suggests that if any of the established funding flexibility limits discussed above are exceeded, Commission approval must be obtained through either a ruling or an advice letter. SCE requests expedited treatment of the advice letter so that absent a protest, the filing would become effective on the twentieth day after filing. The same process applies when expected allocation to third-party implementers falls below the 20% threshold.⁵

The administrative process for fund shifting that PG&E has proposed is to first inform its advisory groups prior to instituting any program funding changes. This includes fund shifting among targeted markets, changes in rebate levels, changes in program structure, closing existing programs or initiating new programs. For fund shifts greater than

⁵ *Testimony of Southern California Edison Company in Support of Its Application for Approval of Its 2006-2008 Energy Efficiency Programs and Public Goods Charge and Procurement Funding Requests*, June 1, 2005, pp. 52-56.

30 percent out of the Mass Market category, PG&E recommends an advice letter process that requires Energy Division to respond within 10 days of filing, or within 10 days of receipt of any requested information. PG&E would also require an advice letter process for shifts out of EM&V or the C&S/ET/Statewide Marketing programs, but it is not clear from the CMS documents whether this would also involve an expedited timeline for Commission review.⁶

The process differs significantly, and is far less formal, under the SCE/SoCalGas PRG proposal. This proposal requires the utility to notify the PRG Fifteen days prior to exceeding any fund shifting limitation. The PRG members then submit comments on the proposed shift and, after reviewing and considering those comments, the utility program administrator will decide whether to execute the shift or abandon it. A formal PRG vote is not be required. The only Commission involvement in the process is an annual review of the utilities' fund shifting activities. During this review, the Commission will evaluate whether or not the shifts contributed to the attainment of its energy efficiency goals.⁷

The SDG&E, SoCalGas, SDG&E PRG and PG&E PRG proposal suggests incorporating the PRGs into the review process. When the utility anticipates making fund shifts that would exceed any of the thresholds described above, they would first submit the changes to the respective PRG, whose members would vote to approve the changes. The supporters of this proposal differ, however, on the how the outcome of the PRG vote should affect Commission involvement. The PRG members propose that if the PRG reaches a consensus approving the fund shift, no Commission review or approval will be necessary. If the group does not reach consensus, however, Commission approval will be sought by the utility through a normal advice letter process. The utilities, on the other hand, suggest that a majority PRG vote should be enough to preempt Commission action. If the PRG reaches a majority approving the shift, Commission approval will not be sought.⁸

⁶ CMS, p. 22.

⁷ *Appendix 10.4: Peer Review Group Report on Southern California Edison Company's 2006-2008 Energy Efficiency Program Portfolio*, June 1, 2005, Appendices J, 46-48.

⁸ *Joint IOU Case Management Statement Regarding Energy Efficiency Applications for 2006-2008 Programs and Budgets*, July 18, 2005, Attachment 3.

4. Adding New Programs and Measures, Significant Program Modifications/Changes to Incentive Levels

Only two of the original fund shifting proposals (SCE's and SoCalGas') addressed the issue of what review/approval process would be required for adding new programs and measures, or making significant modifications to programs and incentive levels. Of the four proposals presented in the CMS document, only the "SCE revised" proposal appears to address this issue.

Under that proposal, review/approval in the form of an advice letter is required for adding or extending new programs, with the exception of those chosen during the competitive bid process. For incentive level changes within a program administrator's service territory, SCE proposes that no Commission approval is needed if one or more of the following criteria are met: (1) the increased incentive promotes energy efficiency in a system-constrained area; (2) the increased incentive encourages participation for select customer groups (e.g. small businesses). If neither of these conditions is met, the utility must seek approval for the new incentive levels from the Commission's Energy Division staff. Although it is not clear how this approval will be sought, the utilities propose making the change effective immediately if it is not rejected within 20 days. The three non-SCE proposals are silent on reporting and review processes for significant incentive level changes.

For significant program design changes, such as changes to customer eligibility requirements, SCE proposes that the utility seek approval from the Commission's Energy Division staff. The utility has not provided any guidelines for what process (advice letter, ruling, etc.) it will employ to gain Energy Division approval. Again, the non-SCE proposals are silent on this issue.⁹

In addition, ORA and TURN propose a very detailed set of rules governing customer incentive design, most of which are generalized from existing 2004-2005 energy efficiency program rules. Any exceptions to these rules would trigger a review/approval process. These rules include¹⁰:

⁹ *Testimony of Southern California Edison Company in Support of Its Application for Approval of Its 2006-2008 Energy Efficiency Programs and Public Goods Charge and Procurement Funding Requests*, June 1, 2005, pp. 57-58.

¹⁰ CMS, pp. 26-31.

- For prescriptive rebates, a measure's Energy Savings incentives may not exceed 100% of the incremental measure costs.
- For direct install programs, at least 20% of energy savings per customer site should come from non-lighting measures.
- For non-residential programs targeting customers < 500 kW, an incentive adder is available to customers who have implemented measures within any calendar year with at least 20% of the savings contributed by non-lighting measures.
- To qualify for early retirement incentives, the existing equipment must have 5 years of remaining useful life and the equipment age must be verifiable.

5. Carryover/Carryback Funding Flexibility

Finally, all of the proposals allow the utilities to carryover or carryback funding over the 2006-2008 program cycle without triggering a Commission or PRG review/approval process. For example, this means that the utilities can carryover unspent funding from program year 2006 to 2007 or "borrow" against the 2007 annual budget to increase funding for program activities in 2006.

Table 9.1: SDG&E, SoCalGas, SDG&E PRG, PG&E PRG

| Category | Shifts Among Budget Categories, Within Program | Shifts Among Programs, Within Category | Shifts Among Categories |
|---|---|---|---|
| Resource / Non-resource Programs (includes multiple program categories – see below) | Yes, subject to a 105% cap on Administrative Budget (at a portfolio level). | <ul style="list-style-type: none"> • Yes, up to 25% OR a specific dollar amount (varies by utility) on an annual basis or 50% on a cumulative basis. • Adding a new program outside the competitive bid process triggers review process. • Review process triggered if allocation to third-party implementers is expected to fall below 20%. | <ul style="list-style-type: none"> • Yes, up to 25% OR a specific dollar amount (varies by utility) on an annual basis or 50% on a cumulative basis. • Adding a new program outside the competitive bid process triggers review process. • Review process triggered if allocation to third-party implementers is expected to fall below 20%. |
| C&S / ET / Statewide M&O | Yes, subject to a 105% cap on Administrative Budget (at a portfolio level). | No. Review process triggered. | Review process needed to shift funds OUT of any program (over 1%)* |
| EM&V | Yes, subject to a 105% cap on Administrative Budget (at a portfolio level). | Not Applicable – Single Program | Review process needed to shift funds OUT (over 1%)* |

- Resource / Non-Resource Program categories for **SCE, SDG&E, and SoCalGas** include: (1) Residential; (2) Nonresidential; (3) Crosscutting (except C&S, ET, SW Marketing and Outreach, EM&V); (4) Competitive Bid
- Resource / Non-Resource Program categories for **PG&E** include: (1) Mass Market and (2) Targeted Markets

Table 9.2: SCE / SoCalGas PRG Option A

| Category | Shifts Among Budget Categories, Within Program | Shifts Among Programs, Within Category | Shifts Among Categories |
|---|--|--|---|
| Resource / Non-resource Programs (includes multiple program categories – see below) | Yes. | <ul style="list-style-type: none"> • Yes, up to 25% OR a specific dollar amount (varies by utility) on an annual basis or 50% on a cumulative basis. • Adding a new program outside the competitive bid process triggers PRG review process. • PRG Review process triggered if allocation to third-party implementers is expected to fall below 20%. • Advice Letter and approval required for any proposed reduction for long term programs that exceeds 10% of program budget.** | <ul style="list-style-type: none"> • Yes, up to 25% OR a specific dollar amount (varies by utility) on an annual basis or 50% on a cumulative basis. • Adding a new program outside the competitive bid process triggers PRG review process. • PRG Review process triggered if allocation to third-party implementers is expected to fall below 20%. • Advice Letter and approval required for any proposed reduction for long term programs that exceeds 10% of program budget.* |
| C&S / ET / Statewide M&O | Yes. | No. Review process triggered. | Review process needed to shift funds OUT of any program (over 1%)* |
| EM&V | Yes. | Not Applicable – Single Program | Review process needed to shift funds OUT (over 1%)* |

* The CMS document is inconsistent in its description of this proposal with respect to the 1% allowance for budget reductions that extends to C&S, ET, and Statewide Marketing and Outreach.

** “Long term” programs include: CA New Homes, 50% of comprehensive HVAC Residential, Advantage Homes, Savings by Design, Sustainable Communities, 20% of partnerships. Please note that it is not clear from the CMS whether or not this limitation, included in the original PRG Option A proposals for SCE and SCG, remains a part of the proposal.

- Resource / Non-Resource Program categories for **SCE, SDG&E, and SoCalGas** include: (1) Residential; (2) Nonresidential; (3) Crosscutting (except C&S, ET, SW Marketing and Outreach, EM&V); (4) Competitive Bid
- Resource / Non-Resource Program categories for **PG&E** include: (1) Mass Market; (2) Targeted Markets;

Table 9.3: SCE Revised

| Category | Shifts Among Budget Categories, Within Program | Shifts Among Programs, Within Category | Shifts Among Categories |
|---|---|---|---|
| Resource / Non-resource Programs (includes multiple program categories – see below) | Yes, subject to 130% cap on administrative budget (at a program level). | <ul style="list-style-type: none"> • Yes, up to 25% OR a specific dollar amount (varies by utility) on an annual basis or 50% on a cumulative basis. • Adding a new program outside the competitive bid process triggers review process. • Review process triggered if allocation to third-party implementers is expected to fall below 20%. | <ul style="list-style-type: none"> • Yes, up to 25% OR a specific dollar amount (varies by utility) on an annual basis or 50% on a cumulative basis. • Adding a new program outside the competitive bid process triggers review process. • Review process triggered if allocation to third-party implementers is expected to fall below 20%. |
| C&S / ET / Statewide M&O | Yes, subject to 130% cap on administrative budget (at a program level). | Review process triggered. | Review and approval needed to shift funds OUT of any program. |
| EM&V | Yes, subject to 130% cap on administrative budget (at a program level). | Not Applicable – Single Program | Review and approval needed to shift funds OUT. |

- Resource / Non-Resource Program categories for **SCE, SDG&E, and SoCalGas** include: (1) Residential; (2) Nonresidential; (3) Crosscutting (except C&S, ET, SW Marketing and Outreach, EM&V); (4) Competitive Bid
- Resource / Non-Resource Program categories for **PG&E** include: (1) Mass Market; (2) Targeted Markets;

Table 9.4: PG&E

| Category | Shifts Among Budget Categories, Within Program | Shifts Among Programs, Within Category | Shifts Among Categories |
|---|---|---|---|
| Resource / Non-resource Programs (includes multiple program categories – see below) | Yes. | Yes. | Yes. Review and approval needed for shifts away from mass market exceeding annual threshold of 30% of mass market budget. |
| C&S / ET / Statewide M&O | Yes. | Review process triggered. | Review and approval needed to shift funds OUT of any program. |
| EM&V | Yes, within utility portion. Fund shifting between the utility and ED portions only with Assigned ALJ approval. | Not Applicable – Single Program | Review and approval needed to shift funds OUT. |

- Resource / Non-Resource Program categories for **SCE, SDG&E, and SoCalGas** include: (1) Residential; (2) Nonresidential; (3) Crosscutting (except C&S, ET, SW Marketing and Outreach, EM&V); (4) Competitive Bid
- Resource / Non-Resource Program categories for **PG&E** include: (1) Mass Market; (2) Targeted Markets;

Attachment 10

Treatment of Savings From Pre-2006 Codes and Standards Advocacy

The purpose of this attachment is to set forth a framework for considering the treatment of savings from pre-2006 codes and standards advocacy work beyond the 2006-2008 program cycle, and presenting issues for further consideration, per the direction in this decision. We start by presenting an example to help illustrate the concepts, followed by discussion in the form of questions and responses.

EXAMPLE

Let's take a very simple example, where the economic potential for energy efficiency in year 1, based upon the building codes and standards (C&S) in effect at the beginning of that year, is "1000 units". Let's further assume, for simplicity, that based on that same baseline of C&S, the economic potential of energy efficiency remains 1000 units each program year over the next three years (no new technologies to create new potential, etc.). Our "program cycle" in this example is one single program year.

In Year 1, the utilities initiate C&S advocacy work that leads to increased standards put into effect at the beginning of year 2. Let's assume that we are able to immediately estimate the impact of those standards in terms of their savings impact, i.e., how much of the 1000 units in economic potential they are able to tap. We estimate that they tap 200 units of the 1000 units in economic potential in year 2, and the same for year 3 because once in place, the new standards keep "saving" relative to the baseline established prior to their adoption.

By the beginning of Year 3, we are able to update the potentials studies to incorporate the new standards into the baseline for year 3 and beyond. (Remember, we are assuming that nothing else changes to the economic potential). That means that our updated potentials studies now reflect 800 units of economic potential for Year 3 and beyond to now be "tapped" by higher future standards and other programs that produce resource savings, such as direct installations.

The utilities continue C&S advocacy work during Year 2 that now leads to increased standards put into effect at the beginning of Year 3. Those new standards are estimated to tap 150 units of the 800 units of economic potential (relative to the Year 2 baseline). Again, we update the potentials studies by the beginning of the next year (Year 4) to incorporate the new standards into the baseline for Year 4 and beyond. As a result, 650 units of economic potential is estimated to be available in Year 4 and beyond to be tapped by another round of higher standards or other resource programs, and the cycle continues.

Now we need to make another very simplifying assumption. The numbers above represent economic potential, but not necessarily our savings goals—which are based on achievable potential—i.e., the savings level we think the utilities should be challenged to accomplish with their programs based on a variety of factors. Among other things, we have taken into consideration a "program effectiveness" factor (savings units/dollars) as well as the feasibility of ramping up funding levels and program roll out. The end result is our best estimate of reasonable "stretch goals", which is some percentage of the

economic potential. Let's assume just for simplicity that our goals are equivalent to the full economic potential. It just makes the calculations and examples simpler to explain.

Next, in considering whether or not the utilities actually meet these goals, we will need to "count up" the savings attributable to their program efforts and compare that amount to the goals. Looking forward, we use *ex ante* estimates of those savings. After the program cycle, we true-up certain parameters related to those estimates (based on our EM&V protocols) to develop *ex post* estimates of program/portfolio performance. It is this *ex post* set of numbers that feed into the "performance basis" and ultimately, would be tied to the risk/reward mechanism we will develop in a later phase of the R.01-08-028 rulemaking.

QUESTION #1:

How should the savings associated with the codes and standards advocacy work conducted during Year 1 be "counted towards the goals" for Year 2 and Year 3? What about the savings associated with this work conducted in Year 2 for Year 3 and beyond?

To answer this question, we need to consider the baseline for the economic potential (and achievable potential) that would apply for each year. (See Figure 1.)

Since the baseline for Year 2 is the standards in effect in Year 1, then the economic potential (goals) associated with that baseline (against which we consider the savings from higher standards or other resource programs) would be 1000 units. It would therefore be appropriate to count the savings attributable to the work undertaken in Year 1 towards the 1000 units of savings goals in Year 2.

But by the beginning of Year 3, the baseline for the potentials studies in our example will have incorporated the higher standards put into effect at the beginning of Year 2, with the resulting economic potential now estimated to be 800 units. Therefore, the savings attributed to the advocacy work conducted in Year 1 should *not* be credited towards the 800 units of economic potential/savings goals for Year 3 and beyond. Otherwise, we would inappropriately lower the performance bar for future activities (including future revisions to standards) to meet that economic potential.

However, the savings associated with the codes and standards advocacy work undertaken in Year 2 to help establish the new standards put into effect at the beginning of Year 3 *would be counted towards the 800 unit goals established for Year 3* until the new baseline that reflects these higher standards is reflected in the potential studies for Year 4 and beyond. That updated baseline (that now reflects the new standards put into effect at the beginning of Year 2, and then further updated for Year 3) would produce 650 units of economic potential in year 4 and beyond, under our example.

In other words, there would be a transition period (in our example, one year) during which the savings associated with the codes and savings advocacy work leading up to the *latest* revisions to codes and standards would "count" towards the goals—until the revised standards are incorporated into the baseline.

Now, if we did not establish the baseline for future potentials studies in the way assumed in our example, our answer to this question could be quite different. If instead, we continued to assess the economic potential for Years 1 through 4 all with a baseline that only incorporated the standards and codes in effect at the very beginning of the period (ie., as of the beginning of Year 1), then it might very well be appropriate to count the savings associated with the work leading to each round of revisions to the standards in each of the years following their adoption. So, for example, keeping the Year 1 baseline unchanged, the economic potential (and goals) would remain at 1000 units for Year 1 through Year 4 (and beyond). The 200 units of savings associated with the standards put into effect in Year 2 would count towards that level of economic potential (and goals) in Year 2 and each following year. Similarly, the 150 units of savings associated with the standards put into effect in the beginning of Year 3 would count towards the 1000 units of economic potential (goals) in Year 3 and each following year. (See Figure 2). The logical corollary would be to count the savings attributed to the work leading up to each of these revisions in each year following their adoption.

Since how we establish the baseline matters, we need to explore this question further in the context of our updates to the savings potential and our goals.

We note, however, that under either approach, the savings associated with the codes and standards advocacy work would be counted towards the goals at least for the program cycle immediately following the adoption of the new standards (until the next update of the potentials studies). The issue is whether the stream of year-by-year savings associated with each round of advocacy work would continue to count towards the goals established for subsequent program cycles.

QUESTION #2:

How would the savings associated with codes and advocacy work conducted in a particular program cycle be counted with respect to the performance basis associated with those program activities? When and how would the performance basis be calculated?

Irrespective of how we decide to establish the baseline for our goals and count or “credit” the year-by-year stream of savings associated with codes and standards advocacy work towards them, ***the ongoing stream of savings attributed to such activities should always be counted in calculating the performance basis for codes and standards advocacy work***, with the one exception discussed below.

So, in our example, the codes and standards advocacy work in Year 1 that leads to new standards in Year 2 would be attributed with some portion of the 200 units of savings in Year 2 and each year thereafter. Similarly, the codes and standards advocacy work in Year 2 that leads to further revised standards in Year 3 would be attributed with some portion of the 150 units of savings in Year 3 and each year thereafter. The specific level of savings attributed to those activities would need to be estimated. (That’s where the HMG Report and Joint Staff’s recommendations concerning that report come into play.) But generally speaking, for each cycle of new standards there would be a stream of savings attributed to those standards (and the activities that led up to them) until some point in time, when the “normally occurring standards adoption factor” combined with the “naturally occurring market adoption factor” reduce those savings to zero.

To calculate the performance basis for the codes and advocacy program activities conducted in a particular program year, we would estimate the program costs and that stream of resource benefits on an *ex ante* basis, and then verify the actual costs and specific performance basis input assumptions on an *ex post* basis, based on our adopted EM&V protocols.

In terms of the timing of calculating the performance basis for codes and standards advocacy work conducted during a particular program cycle, that may depend entirely upon when the standards are actually adopted. It may be very difficult (if not impossible) to develop reasonable *ex ante* estimates of the savings associated with possible future revisions to codes and standards until those new standards are actually adopted. Similarly, we may need to wait until each new round of standards are adopted to be able to estimate the savings attributed to the codes and standards advocacy work that led up to them. In any case, there will be a significant lag between when the costs are incurred and when the savings are actually realized. This is an inherent feature of this type of program that we need to address in our EM&V protocols.

One option might be to have a completely separate performance basis for codes and standards advocacy work that is calculated once the standards associated with that work are adopted. The stream of associated resource benefits would be discounted and compared with the program costs, and the resulting “net resource benefits” would be calculated. Another option would be to incorporate the costs and benefits of these programs (when they occur) into the performance basis for the portfolio of “resource programs” we defined in D.05-04-051 for each program cycle. This raises the issue of whether the savings attributed to the codes and advocacy work would also then count towards the minimum performance threshold for that performance basis, which per D.05-04-051, will be tied to our kWh and kW goals. This may depend upon the baseline issue we discuss above, among other considerations.

Nonetheless, the general concept would be to fully count the stream of savings attributable to each round of codes and standards work that leads to increased efficiency codes and standards in the calculation of performance basis.

However, as discussed in this decision, the one exception would be for pre-2006 codes and standards advocacy work. This is because counting the savings associated with this work towards performance basis, upon which a risk/reward performance mechanism would be based, creates a fundamental policy inconsistency with respect to the cessation of shareholder earnings during the program years when these program investments were made. This same policy issue would also arise if we counted actual installations for 2006 and beyond that were the result of commitments made prior to 2006. In D.05-04-051 we explicitly excluded such savings from the calculation of performance basis.¹

QUESTION #3

Should the savings attributable to codes and standards advocacy work performed during a prior program cycle, but that result in new standards that take effect during the upcoming program cycle, be counted when estimated the cost effectiveness of the proposed portfolio plans?

¹ *Ibid.*, p. 56.

Our rules establish that portfolio cost-effectiveness should be calculated on a prospective basis for each program cycle based on all the costs incurred and the actual savings expected during that program cycle. We have established a three-year program cycle. So, for most program activities undertaken during that three-year period (until the later part of that cycle), the costs incurred will result in actual savings (e.g., direct installations) all within that program cycle. However, there will be some activities related to new construction and standard performance contracting where the costs will occur in the current program cycle, but the actual installations won't be counted until the next. Hence there will be some staggering of costs and benefits that cross over program cycles when we calculate portfolio cost-effectiveness. However, this should not produce major "jumps" in costs or benefits for these types of programs during any particular program cycle.

This will also be the case for codes and standards advocacy work, because the costs are incurred much earlier than the timing of the actual savings (when the resulting new standards are put into place). According to our rules for 2006 and beyond, we would similarly count the costs of these programs when they occur in estimating portfolio cost-effectiveness and then include the actual savings in the calculation of cost-effectiveness when the standards are put into effect, in a later program cycle.

While this is the general approach for 2006 and beyond, ***the savings attributed to pre-2006 activities should not be included in the cost-effectiveness calculations for the 2006-2008 program cycle.*** As discussed in this decision, this is because cost-effectiveness calculations need to be developed on a consistent basis with performance basis. It simply makes no sense, and would also create undue confusion, to calculate the TRC and PAC tests of cost-effectiveness for the utilities portfolio plans including those savings, when the resource savings used to calculate the net benefits performance basis will exclude those savings for the reasons discussed above. Moreover, we note that the cost-effectiveness calculations (and performance basis) for the 2006-2008 program cycle and beyond will similarly exclude resource benefits associated with program investments made prior to 2006 from standard performance contracting and new construction activities, per the Commission's direction in D.05-04-051.

FIGURE 1

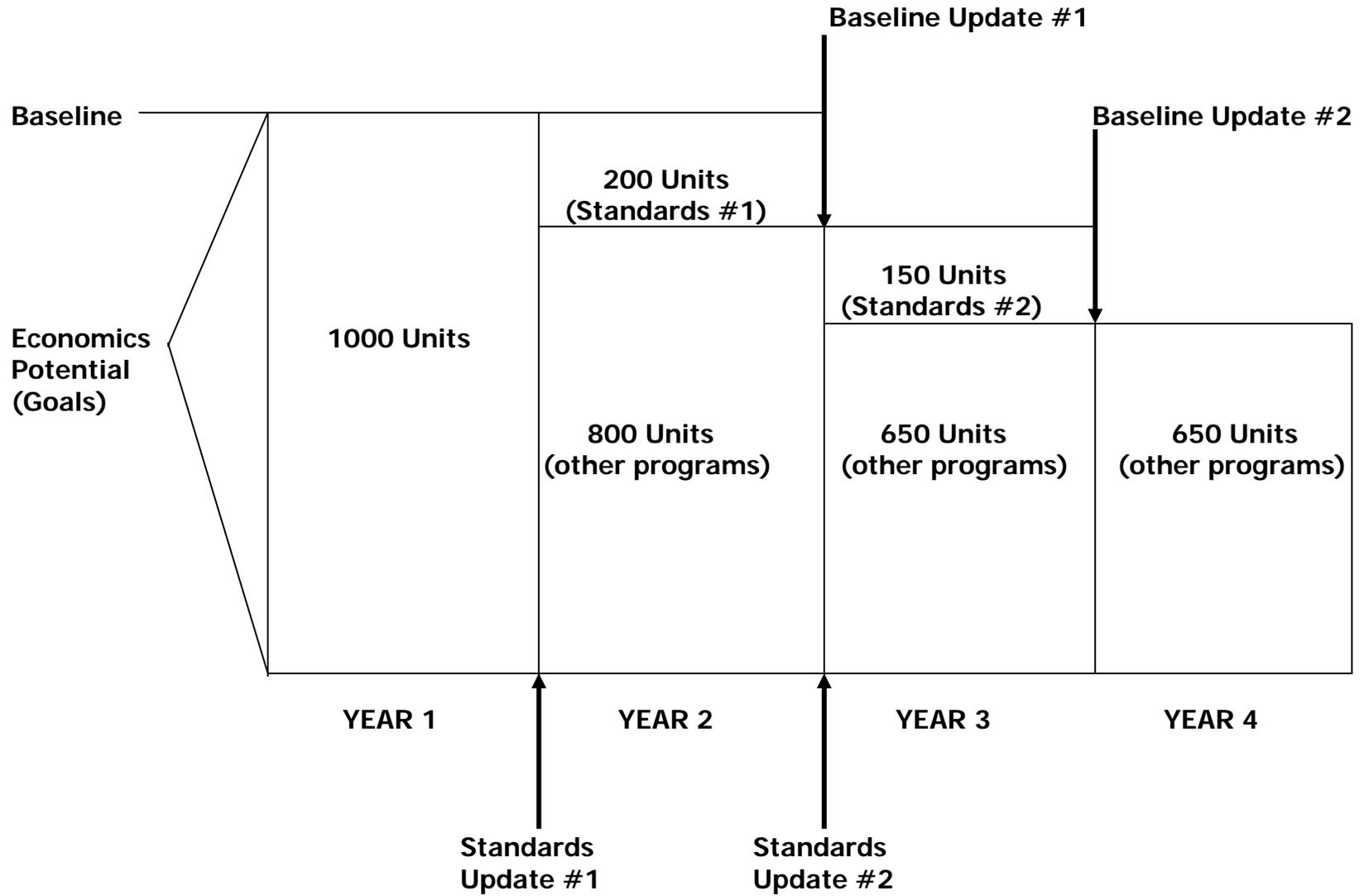


FIGURE 2

