



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

**FILED**

03/15/19  
04:59 PM

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Company (U 902 E) For Authority To  
Implement Optional Pilot Program To  
Increase Customer Access To Solar  
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Application No. 12-01-008  
(Filed January 17, 2012)

And Related Matters.

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**ANNUAL GTSR PROGRAM PROGRESS REPORT OF SAN DIEGO GAS &  
ELECTRIC COMPANY (U 902 E) FOR ACTIVITIES OCCURRING IN 2018**

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March 15, 2019

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Application of San Diego Gas & Electric Company (U 902 E) For Authority To Implement Optional Pilot Program To Increase Customer Access To Solar Generated Electricity.	Application No. 12-01-008 (Filed January 17, 2012)
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**ANNUAL GTSR PROGRAM PROGRESS REPORT OF SAN DIEGO GAS &  
ELECTRIC COMPANY (U 902-E) FOR ACTIVITIES OCCURRING IN 2018**

Pursuant to Decision 15-01-051 (“Decision”) San Diego Gas & Electric Company (“SDG&E”) files this annual progress report, reporting activity during the 2018 calendar year. The Decision requires the participating utilities to file an annual Green Tariff Shared Renewables (“GTSR”) Program Progress Report<sup>1</sup> every March 15 starting in 2016 and ending in 2019 with the following components:<sup>2</sup>

- Enrollment reporting, including “available capacity” data at the most detailed level feasible, updated monthly, with the precision of the information increasing over time;
- A one-page summary tracking the amount and cost of generation transferred between the Renewables Portfolio Standard (“RPS”) and GTSR Program;
- A summary of GTSR revenue and costs;

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<sup>1</sup> Decision at 182, Ordering Paragraph 10.

<sup>2</sup> *Id.* at 141-142.

- A summary of advisory group or advising network activities, including information regarding frequency of meetings, topics discussed, and any other relevant information;
- A marketing report, containing the elements listed in Section 7 of the Decision<sup>3</sup>;
- A Community Choice Aggregation (“CCA”) Code of Conduct report, including a summary of marketing or lobbying efforts that are, or could reasonably be interpreted to be, subject to the CCA Code of Conduct;
- Supplier diversity activity;
- A summary of California Alternative Rates for Energy (“CARE”) enrollment, including location of CARE customers in relation to areas eligible for environmental justice (“EJ”) projects or planned EJ projects;
- Reports of fraud or misleading advertisements received through meetings with the advisory group or advising network; and
- If available, customer profile information and a summary of enrollment figures for low-income customers and subscribers who speak a language other than English at home.

SDG&E hereby submits its annual GTSR Program Progress Report for activities occurring in 2018.

## **I. 2018 AVAILABLE CAPACITY DATA**

The Decision sets a target capacity for SDG&E’s collective GTSR Program of 59 MW, with 10 MW reserved to come from EJ facilities and a 10 MW goal for capacity to be available

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<sup>3</sup> *Id.* at 132-140.

for residential customers.<sup>4</sup> Table 1 presents the renewable capacity procured specifically for the Green Tariff (“GT”) and Enhanced Community Renewables (“ECR”) components of the GTSR Program.<sup>5</sup> New GTSR procurement during 2018 consisted of a 20 MW project to serve the GT component, as well as a 2.4 MW project to serve the ECR component. Both new projects were approved by the Commission effective June 17, 2018.<sup>6</sup>

**Table 1. GTSR Procurement Totals (all values in MW)**

<b>Category</b>	<b>Target Capacity</b>	<b>GT Procured to Date</b>	<b>ECR Procured to Date</b>	<b>Capacity Remaining</b>
Unrestricted Sources	49	40	2.4	6.6
EJ Reservation	10	0	0	10
<b>Totals</b>	<b>59</b>	<b>40</b>	<b>2.4</b>	<b>16.6</b>

GTSR customer enrollment data is presented in Table 2, showing 2018 subscribed generation capacity for GT and ECR by month. A particularly noteworthy data point from 2018 is the addition of roughly 38 MW of subscribed GT capacity in the first quarter of the year. This increase in subscribed capacity marks the most significant progress that SDG&E has seen to date in the GT component of the GTSR Program and is largely attributed to a reduction in the cost of participation for some customer classes. In January 2018, the cost of customer participation in the GT component transitioned from a net cost increase to a slight credit for residential customers, as well as for medium and large business customers. When this transition occurred, SDG&E saw a rapid increase in GT applications from business customers. By March 2018,

<sup>4</sup> *Id.* at 4-6.

<sup>5</sup> For reference, SDG&E markets the GT component as EcoChoice<sup>SM</sup> and the ECR component as EcoShare<sup>SM</sup>.

<sup>6</sup> AL 3214-E.

SDG&E had fully allocated the share of unrestricted<sup>7</sup> capacity available for the GT component and introduced a waitlist for business customers.

The remaining GTSR Program capacity has been made available to residential customers looking to subscribe to the GT component, and to both residential and business potential ECR customers. Although the GT component price for residential customers has also transitioned to a credit at times, SDG&E has experienced challenges encouraging residential customers to enroll.

**Table 2. 2018 GTSR Customer Enrollment Summary (all values in MW)**

<b>Month</b>	<b>GT Subscribed Capacity</b>	<b>ECR Subscribed Capacity</b>
January	4.431	0
February	35.479	0
March	42.781	0
April	42.199	0
May	42.269	0
June	43.184	0
July	43.347	0
August	43.750	0
September	43.806	0
October	44.117	0
November	44.162	0
December	44.263	0

The GT component of SDG&E's GTSR Program opened for enrollment in November 2016. GT Subscribed Capacity is calculated using 12 months of historical energy usage and the applicable GT subscription level for each enrolled customer. In conjunction with the weighted

<sup>7</sup> SDG&E limited business customer enrollment for the GT component to 42 MW in an effort to maintain available capacity for the ECR component, and to help ensure the 10 MW residential customer reservation established for the GTSR Program can be met.

average capacity factor for all designated GT and Interim Pool projects, the sum of customer purchased renewable energy is converted into an equivalent amount of renewable generation (*i.e.*, Subscribed Capacity).<sup>8</sup>

Customers with a new service agreement will lack 12 months of historical energy usage. In these instances, the customer's average monthly energy consumption is calculated and used to estimate the amount of energy the customer is likely to consume over an entire 12-month period. As historical usage for these customers becomes available it will be reflected in the monthly and annual reporting resulting in a more precise estimate of GT Subscribed Capacity.

The ECR component of SDG&E's GTSR Program did not have any subscribed capacity in 2018. SDG&E held two GTSR solicitations in 2018 for GT, ECR and EJ capacity and to date has accepted marketing materials from six interested solar developers who wish to participate in the ECR component.<sup>9</sup>

Available capacity for GTSR customer enrollment is limited in two ways:

1. By the generating capacity of solar facilities procured specifically to serve the GTSR program, since customers "will be served exclusively from those resources" when they are brought online.<sup>10</sup>
2. By SDG&E's overall GTSR target of 59 MW, of which 10 MW is reserved for residential customers.

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<sup>8</sup> AL 2853-E specifies the facilities currently included in SDG&E's Interim Pool.

<sup>9</sup> SDG&E's Spring 2018 GTSR solicitation resulted in no new GT or ECR contracts (*see* AL 3271-E) and SDG&E's Fall 2018 solicitation is ongoing at the time of filing (*see* AL 3276-E).

<sup>10</sup> Decision at 41. SDG&E will serve any GT demand in excess of the generation capacity of its dedicated GT project(s) with generation from its Interim Pool until (an) additional dedicated GT project(s) can be brought online to serve this demand.

## **II. GENERATION TRANSFERRED BETWEEN RPS AND GTSR**

Customers enrolled in the GT component of SDG&E's GTSR Program purchased 86,383.22 MWh of renewable generation from the GT Interim Pool in 2018. Costs associated with this generation totaled \$6,726,053 and were calculated by multiplying the purchased renewable generation by the cost per MWh of charges associated with:

- Generation from the GT Interim Pool based on the weighted average contract price of participating facilities;
- Western Renewable Energy Generation Information System ("WREGIS"); and
- California Independent System Operator ("CAISO") Grid Management Charges ("GMC").

## **III. REVENUE AND COSTS**

In 2018, SDG&E incurred \$147,559 in non-commodity expenses related to developing and implementing the GTSR Program. Administration expenses are split between the two categories of information technology and program management. Expenses were also incurred in 2018 for marketing, education, and outreach. Table 3 summarizes non-commodity expenses by category and revenues are summarized in Table 4.

**Table 3. 2018 GTSR Expenditure Summary (non-commodity)<sup>11</sup>**

<b>Memorandum Account</b>	<b>SDG&amp;E Internal Order</b>	<b>Description</b>	<b>2018 Expenditures</b>	<b>Program Total Expenditures</b>
GTSR Administrative Costs Memorandum Account (GTSRACMA)	7078688	GT Information Technology	\$129	\$1,253,377
	7078689	ECR Information Technology	\$51	\$553,763
	7078690	GT Program Management	\$100,298	\$298,835
	7078691	ECR Program Management	\$37,819	\$124,245
GT Marketing, Education, & Outreach Memorandum Account (GTME&OMA)	7078692	GT Marketing and Outreach	\$9,262	\$269,975
ECR Marketing, Education, & Outreach Memorandum Account (ECRME&OMA)	7078693	ECR Marketing and Outreach	\$0	\$2,828
<b>Total</b>			<b>\$147,559</b>	<b>\$2,503,023</b>

**Table 4. 2018 GTSR Revenue Summary (non-commodity)**

<b>Memorandum Account</b>	<b>2018 Revenue</b>	<b>Total Revenue</b>
GTSRACMA	\$392,789	\$409,612
GTME&OMA	\$119,208	\$124,340
ECRME&OMA	\$0	\$0
<b>Total</b>	<b>\$511,997</b>	<b>\$533,952</b>

Commodity-related revenues and expenses for the GT and ECR components are recorded in the Green Tariff Shared Renewables Balancing Account (“GTSRBA”). The GTSRBA recorded a small total under-collected balance of \$105,373 at the end of 2018, which is broken down by subaccount in Table 5.

<sup>11</sup> In 2018, interest was booked to the GTSR Program memorandum accounts as follows:

GTSRACMA	GTME&OMA	ECRME&OMA	GTSRBA
\$40,336	\$4,163	\$58	\$13,896



**Table 5. 2018 GTSRBA Summary**

<b>Account</b>	<b>2018 Revenue</b>	<b>2018 Expenses</b>	<b>(Over) / Under Collection</b>
GT Subaccount	\$7,396,814	\$7,502,187	\$105,373
ECR Subaccount	\$0	\$0	\$0
<b>Total</b>	<b>\$7,396,814</b>	<b>\$7,502,187</b>	<b>\$105,373</b>

#### **IV. SUMMARY OF ADVISORY GROUP ACTIVITIES**

SDG&E hosted one Advisory Group meeting in 2018. As noted in SDG&E's Monthly GTSR Report for December 2018,<sup>12</sup> on December 13, 2018 SDG&E hosted a web-based Advisory Group meeting to share the current status of the GTSR Program. This event served as a follow-up to SDG&E's November 15, 2017 meeting, to discuss the recent progress of the GTSR Program, desired program improvements, and to solicit feedback from stakeholders. More than two weeks in advance of the meeting SDG&E notified its GTSR Program Advisory Group, consisting of 35 stakeholders, representing 28 unique organizations. SDG&E's stakeholder list consists of organizations that have previously expressed interest in the GTSR Program, primarily environmental groups, local chambers of commerce, housing associations, nonprofit organizations, and local development councils. Of the 28 organizations that were included in SDG&E's outreach for the event, 10 are currently participating in the GTSR Programs or waitlisted due to program capacity limits.

Although several additional stakeholders had expressed interest or intent to join the December 2018 meeting, participation was ultimately from a single organization. Participants were representatives of a university energy policy program, and as such were familiar with the history of the GTSR Program and very knowledgeable about statewide renewable energy

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<sup>12</sup> SDG&E Monthly GTSR Program Progress Report - December 2018 at 3-4.

initiatives. Participants were primarily interested in the pricing of the GSTR Program, as well as SDG&E's marketing strategy. Overall, participants expressed approval of SDG&E's GTSR Program and did not request any changes to how the program is administered.

## **V.     MARKETING REPORT**

In 2018, the overall marketing strategy included educating customers about the program and benefits through targeted direct marketing to move customers to act. In 2017, additional marketing campaign efforts, including digital advertising and paid social media, were implemented. Marketing tactics decreased in 2018 due to lack of funding. SDG&E continued to leverage the 2016 GT market research findings as well as SDG&E's residential segmentation to provide high value target audience information. Promotional activity directed customers to the program's webpage on sdge.com (sdge.com/residential/savings-center/solar-power-renewable-energy/ecochoice).

### **Activities and Quantitative Assessment**

#### *Awareness/Education*

To highlight the benefits of enrolling, SDG&E included a bill insert in customer bills, and shared program messaging in various newsletters and additional bill communications. Customers were directed to the program web page which contributed to 152,086 unique page views. The average time on page was 00:03:34 which is higher than SDG&E customer average time on page 00:02:35.

#### *Direct Marketing*

Email campaigns targeted customers most likely to enroll in the program using segmentation efforts and key findings from the research. Ten email campaigns ran in 2018 targeted to Residential customers. On average, the email campaigns in 2018 had a 42.8% open rate (SDG&E's average for all emails is 34.5%), 5.3% click rate (SDG&E's average is 3.7%)

and a 13.3% effective rate (SDG&E's average is 10.8%). The GT component email campaigns performed much better than SDG&E's average email metrics. This signals that customers were interested in the offer and engaged. Engagement with the emails appeared to be high as customers were spending more than ten seconds reading the emails. Aside from the program's home page on the website, customers spent more time on the cost calculator than any other part of the program's web page. This indicates people are interested in going green, but price is a concern.

### *Outreach*

Outreach and engagement through SDG&E's wide network of partnerships and customer relationship management through our team of Account Executives played a crucial role in reaching customers. Outreach efforts included emails, customer phone calls and in-person visits and presentations. Overall, these partners communicated through their broad network of affiliations and supported the program through 116 events, 194 communications, and reaching over 88,000 customers.

- Energy Solutions Partner Network: The Outreach team worked with an already established network of 250 community-based partners to promote the program. Activities included support for events, presentations and messaging through online and social media channels.
- Local Government Partnerships: Every month, SDG&E shares articles and social media posts with 48 marketing leads with various local government partners such as the County of San Diego, SANDAG and the City of Chula Vista. The partners have the option to include this information in their newsletters, social media and webpages.

- Chambers, Business and Trade Association Collaboration Packages: SDG&E has partnerships with over 70 Chambers of Commerce, Economic Development organizations, Business Improvement Districts and trade associations. These groups help proactively engage customers through activities like events, presentations, and messaging through online and social media channels. In addition, several Chambers of Commerce enrolled in the GT program as a way to lead by example and support their own environmental goals. Many cited the benefit of having the option to be part of a clean energy initiative without committing to the expense of solar.
- Account Executive Engagement: SDG&E's Account Executives serve as the primary point of contact and manage relationships with many business customers. This includes educating them on programs and services such as GTSR. Account Executives met with customers, in most cases, multiple times and provided guidance and bill analysis. The group also followed up on leads from email campaigns through phone calls and in person visits.

Overall, enrollment in the program benefitted from multiple channels and touch points. The 2018 price point was lower than the previous year, which appeared to boost customer interest from certain customer classes, mainly the Commercial and Industrial segment. Other customer segments found the cost of participation to be a deterrent to participation. Outreach interactions with customers also indicated customers are hesitant to pay more for their electricity, even if it contains more renewables generation.

## **VI. CCA CODE OF CONDUCT REPORT**

SDG&E's 2018 marketing and outreach activities were consistent with the Community Choice Aggregation ("CCA") Code of Conduct, Decision 15-01-051, and Resolution E-4734.

SDG&E's marketing and outreach efforts were broad and expansive, covering the territory and based on segmentation strategies, not CCA activity.

## **VII. SUPPLIER DIVERSITY**

In 2018 SDG&E had no procurement from diverse business enterprises ("DBEs") for the GTSR Program. SDG&E encourages such activity with DBEs, as defined in G.O. 156, to participate in all solicitations. SDG&E has dedicated representatives to provide information for DBEs and assist them in the DBE process. When companies express an interest to participate in a solicitation, SDG&E tracks whether that company is a DBE and follows up with them in future solicitations. In addition, SDG&E makes a significant effort to highlight the importance of DBEs in our bidder's conferences.

## **VIII. SUMMARY OF CARE ENROLLMENT**

In 2018, 300 CARE customers enrolled in the GT portion of SDG&E's GTSR program. These customer service points have been cross referenced with the 20% most impacted communities identified using CalEPA's CalEnviroScreen 2.0 and newer. Out of those 300 CARE customers, 75 are located in areas that are also eligible for an EJ project, as defined in the Decision.<sup>13</sup>

## **IX. REPORTS OF FRAUD OR MISLEADING ADVERTISEMENT**

SDG&E has not received any reports of fraud or misleading advertising concerning the GTSR Program during 2018, nor is SDG&E aware of any such practices at this time.

As stated on the ECR website at [www.sdge.com/EcoShare](http://www.sdge.com/EcoShare), customers wishing to report such activates can contact SDG&E at 1-800-411-7343 or [CTTS@sdge.com](mailto:CTTS@sdge.com).

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<sup>13</sup> Decision at 51.

## **X. CUSTOMER PROFILE INFORMATION**

In 2018, as also mentioned above in Section VIII, 300 customers enrolled in the GT component were identified as CARE, indicating they are low-income. SDG&E also records if residential customers signing up for rates speak a language other than English at home. Through 2018, SDG&E's residential GT customers were found to fall into the following categories: 78.8% English speaking, 1.7% Spanish speaking, and 19.6% unknown. As stated, the ECR component had no enrollment through 2018, as there are no developers with an ECR Power Purchase Agreement ("PPA"). Thus, SDG&E has not collected this profile information on ECR participants.

SDG&E requests that the Commission accept this annual progress report.

Respectfully submitted,

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March 15, 2019