

**SOUTHERN CALIFORNIA GAS COMPANY**  
**ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR ENERGY**  
**PROGRAMS & BUDGETS FOR PROGRAM YEARS 2021-2026**

(A.19-11-006)

(DATA REQUEST CALADVOCATES-ESA-CARE-SK8-SCG09)

RECEIVED: JUNE 11, 2020

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**QUESTION 1:**

Please list which, if any, rows in Table A-1a's rows 32-34 include administrative costs.

- a. If just part of any row's amounts consists of administrative costs, please specify the row name (Common Area Cost Allocation, In Unit Cost Allocation, or Communal Area/Shared System Cost Allocation) and administrative cost amount(s).

**RESPONSE 1:**

There are no administrative costs included in rows 32-34. They contain only above-the-line energy efficiency costs.

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**QUESTION 2:**

Please provide descriptions of what the below program elements in Table A-1a include:

- a. Common Area Cost Allocation;
- b. In Unit Cost Allocation; and
- c. Communal Area/Shared System Cost Allocation.

**RESPONSE 2:**

- a. Common Area Cost Allocation include installation costs for common area measures other than central systems, such as a faucet aerator or a low-flow showerhead in a common area recreation room.
- b. In Unit Cost Allocation include installation costs for in-unit measures such as a low-flow showerhead, thermostatic shower valve or thermostatic tub spout installed in an apartment unit.
- c. Communal Area/Shared System Cost Allocation include installation costs for common area central systems.

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**QUESTION 3:**

Does SoCalGas apply an escalator or escalators, such as a Consumer Price Index (CPI), to any ESA program budget amounts, such as ESA contractor labor? If yes, for each escalator, please provide:

- a. The escalator type(s) and specific number(s) used;
- b. The names of the budget items to which each escalator is applied;
- c. SoCalGas's methods for choosing or calculating the escalator number(s) used; and
- d. Citations of any external sources used to justify the use of the escalator(s) and the specific number(s) used.

**RESPONSE 3:**

Responses to a and b:

Yes, SoCalGas does apply escalators. See attached excel file for responses to a and b.



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question 3a 3b.xlsx

Response to c and d:

c. The escalators used were chosen because they are the program-appropriate utility-industry cost escalators that are consistent with escalators used and adopted by the California Public Utility Commission (CPUC) in SoCalGas' latest General Rate Case (GRC).

d. The escalators are from IHS/Markit Global Insight's "3rd Quarter 2018" utility cost forecast released in November 2018. These were the latest available escalators at the time the information was provided in early February 2019.

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**QUESTION 4:**

Please state SoCalGas's annual 2021-2026 ESA employee benefit burden amounts, and

- a. State the basis for each amount.

**RESPONSE 4:**

Based on the definition of "employee benefit burden" SoCalGas interprets this to be pension and benefits. Although there are pension and benefit costs associated with SoCalGas ESA Program company labor, these costs are not recovered as part of this proceeding; therefore, are not included in the proposed budget.

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**QUESTION 5:**

Please provide the following information about employee benefit burdens:

- a. A detailed description (1 paragraph to 1 page) of employee benefit burdens;
- b. A detailed description of SoCalGas's use of employee benefit burdens.

Include:

- i. Where (which tables and specific cells) employee benefit burdens are included in the ESA program budgets;
- ii. Copies of, or links to, internal instructional literature SoCalGas has on this topic, such as handbooks or guidelines; and
- iii. Citations of all specific authorizing language upon which SoCalGas bases its use of benefit burdens, including:
  1. CPUC decision language (e.g. specific sections, findings of fact, conclusions of law, and ordering paragraphs); and
  2. Public Utilities Code.

**RESPONSE 5:**

Please refer to the response provided in question 4 above.

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**QUESTION 6:**

Please fill out the following table:

Program	Cost Category	Actual Recorded Expenses						Budgets					
		2015	2016	2017	2018	2019	2020 <sup>1</sup>	2021	2022	2023	2024	2025	2026
Energy Efficiency (Non-ESA Program)	Employee Benefit Burdens												
	Administrative Costs												
	Total Program Costs												
ESA Program	Employee Benefit Burdens												
	Administrative Costs												
	Total Program Costs												

<sup>1</sup> If the actual amount spent has not yet been recorded for 2020, please input the budget instead.

- a. If any amounts in the table are published in existing reports, please provide citations and (if applicable) hyperlinks to them.

**RESPONSE 6:**

SoCalGas objects to this Request to the extent the Energy Efficiency (EE) portion of the table seeks the production of information that is neither substantively relevant to the subject matter involved in the low-income application proceeding nor reasonably calculated to lead to the discovery of admissible evidence. Subject to and without waiving its objection, SoCalGas responds as follows:

Employee Benefit Burdens for all employees are requested and approved in the General Rate Case and are therefore not provided as part of the total program costs here. Additionally, EE has a specific definition of “allowable administrative costs” in administrative cost category, which is not adopted in the ESA Program.<sup>1</sup> SoCalGas provides actual recorded expenses for EE program Administrative Costs and Total Program Costs for 2015-2019. The 2020 budget information comes from SoCalGas Advice Letter 5510. The forecast budget for 2021-2026 is provided by cost category annually in the Annual Budget Advice Letter and are not available at this time.

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<sup>1</sup> See, Energy Efficiency Policy Manual, Version 6, Appendix C, Cost Categories and Related Cap and Targets.

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SoCalGas proposed in its application A.19-11-006 that the Commission should define “administrative costs” for the ESA Program.<sup>2</sup> The administrative costs provided here are defined as cost associated with labor and non-labor in Regulatory Compliance and General Administration categories.



CaIPA DR#9  
question 6 Energy E



CaIPA DR#9  
question 6 ESA.xlsx

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<sup>2</sup> See Prepared Direct Testimony of Daniel J. Rendler at p. 10.

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**QUESTION 7:**

How are the 2015-2017 ESA Impact Evaluation Study (Impact Evaluation) recommendations incorporated into SoCalGas' 2021-2026 ESA Program cycle?

**RESPONSE 7:**

There are 6 recommendations from the Impact Evaluation. SoCalGas responds to each recommendation individually.

**Recommendation 1:** *ESA Program planners should use the results of this impact evaluation to develop new ex-ante savings assumptions for measures that roll up to reasonable household level savings.*

**Response 1:** SoCalGas has incorporated the results of this Impact Evaluation for measures that roll up to reasonable household level savings, by using the ex-ante methodology described in Response to question 9. The new ex-ante savings values on measure level are used in SoCalGas' 2021-2026 goals.

**Recommendation 2:** *ESA Program planners should fully account for potential consumption-increase assumptions for measures that are installed for non-energy related benefits. This would include, for instance, flagging fixes to heating or cooling units where the unit was not working or not used prior to the visit. This will segregate off installations that increased consumption and improve overall program savings projections.*

**Response 2:** SoCalGas agrees with this recommendation. SoCalGas took note of the Impact Evaluation results finding negative savings, and responded in SoCalGas' application by proposing new measures of higher savings and reducing existing measures of negative savings<sup>3</sup>. SoCalGas also tracks the operative/inoperative status of existing appliances that may receive repair or replacement. This data is available for use in future evaluations.

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<sup>3</sup> See Direct Testimony of Mark Aguirre and Erin Brooks, date November 4, 2019 at pgs. 3, 4, 50, 120, 121 and 153.

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**Recommendation 3:** *All relevant identifiers in the program tracking fields should be standardized such that information readily rolls up to program totals and matches the values reported to the CPUC.*

**Response 3:** SoCalGas agrees with this recommendation and continually seeks to standardize identifiers and eliminate discrepancies. SoCalGas is also open to collaboration among Investor Owned Utilities (IOUs) to standardize program tracking fields on a statewide level.

**Recommendation 4:** *Program definitions and requirements should be aligned with billing information.*

**Response 4:** SoCalGas agrees with this recommendation and continues to work toward improved alignment. SoCalGas is also open to statewide collaboration to standardize billing information.

**Recommendation 5:** *Future evaluations should replicate the two-stage analysis approach followed here and expand the billing analysis from monthly consumption data to daily data using the available AMI data. AMI data will improve the quality of weather-normalization in the first stage modeling reducing variability and improving the quality of results in the second-stage model. Any new methods or approaches proposed for future evaluations should be required to replicate results using this approach and demonstrate the relation to and improvements relative to the current approach.*

**Response 5:** SoCalGas recognizes the importance of AMI data and the two-stage analysis approach recommended. These recommendations will be proposed to the IOUs' EM&V study team in future evaluations.

**Recommendation 6:** *Future impact evaluations should include a process evaluation of program delivery mechanisms to inform future impact evaluations.*

**Response 6:** SoCalGas proposed in the 2021-2026 application a process evaluation study<sup>4</sup>.

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<sup>4</sup> See Direct Testimony of Mark Aguirre and Erin Brooks, date November 4, 2019 at p. 146.

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**QUESTION 8:**

Has SoCalGas updated its ex ante savings assumptions for this program cycle to reflect the findings from the Impact Evaluation?

**RESPONSE 8:**

Yes. Beginning with the September 2019 Monthly Report, SoCalGas updated its ex-ante savings assumptions for this program cycle to reflect the findings from the Impact Evaluation.

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**QUESTION 9:**

The Impact Evaluation mentions that DNV GL developed a tool that allows the IOUs to adjust measure-level savings while maintaining an overall savings level that was consistent with the HH-level results.

- a. Can SoCalGas describe this tool and its methodology?
- b. Do the resulting adjustments allow for a reliable evaluation of energy savings at the measure level? Please explain why or why not.

**RESPONSE 9:**

- a. Yes. Please see the document attached for description of the tool and SoCalGas' ex-ante methodology.



SoCalGas  
Methodology.docx

- b. Yes. The Impact Evaluation results provided a majority of savings values at the measure-level that are statistically not significant, as described in the document in Response to question 9a above. The adjustments allow for a reliable evaluation of energy at the measure level for the following reasons:
  - The average savings value at household (HH) level from the adjustments is consistent with the results from the Impact Evaluation.
  - The adjustments are made to measures with modeled savings values that are not significant, based on a ratio factor. The ratio factor is also described in the document in Response to question 9a above. Both ratios are calculated based on SoCalGas' most recent reported savings data, prior to the Impact Evaluation.