Attachment C

Besa Testimony

Southern California Gas Company

Program Concept Papers

Southern California Gas Company

2006-2008 Energy Efficiency Programs

Program Concept Papers

June 1, 2005

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RESIDENTIAL PROGRAMS

2006-2008 Energy Efficiency Concept Paper
Single Family Home Energy Efficiency Retrofit Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 410,246	$ 426,353	$ 497,937
Overhead	$ 214,286	$ 285,714	$ 428,571
Direct Implementation			
Financial Incentives	$ 2,600,000	$ 3,690,000	$ 5,080,000
Activity	$ 304,857	$ 542,851	$ 605,881
Installation	$ -	$ -	$ -
Hardware & Materials	$ 10,000	$ 15,000	$ 20,000
Rebate Processing and Inspection	$ 455,612	$ 325,081	$ 457,610
Marketing			
Program Specific Marketing	$ 505,000	$ 715,000	$ 1,910,000
Statewide Marketing			
Total Program Budget	**$ 4,500,000**	**$ 6,000,000**	**$ 9,000,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
3,553	8,404,901	1,511,100	4,465	10,442,427	1,836,484	4,711	11,794,427	2,256,488

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The Single Family Energy Efficiency Retrofit (SF) program is an existing statewide program designed to help Southern California Gas Company (SoCalGas) residential customers reduce their natural gas energy usage by replacing inefficient appliances with new energy-efficient appliances and weatherizing their homes. The program contains elements such as customer incentives, customer information and education and marketing and outreach, using trade allies, manufacturers, retailers and distributors to deliver information, measures and rebates. Each component is essential to enhancing the understanding of, and demand for, energy efficient products in the residential retrofit and renovation market. The program is designed for flexibility. It offers agreed upon statewide measures with coordinated implementation, and is designed to be able to segregate, and add new measures for tailoring to a specific market opportunity that emerges in the SoCalGas local service area.

5. Program Statement

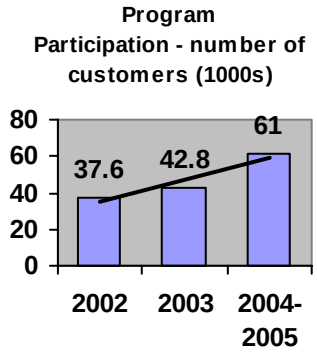
The SF program will implement an integrated approach of combining customer incentives, customer information and education to reach a greater number of single family homeowners who have not installed energy efficient measures. The SoCalGas program will emphasize instant rebates, targeted promotional campaigns and the use of upstream vendors to become more effective in reaching a greater share of the market, specifically customers who have not upgraded to energy efficient measures promoted through this program, and other energy efficiency programs.

What's New for 2006-08?

- Innovation
  - Maximize efficiencies by consolidating incentives for Furnace and Water Heating to upstream market
  - Expand instant rebate to include new measures and more retailers!
  - Offer tiered rebate incentives for appropriate market circumstances
- Other Program Improvements
  - Explore options for providing alternative marketing strategies, such as neighborhood-based marketing campaigns targeting older master-planned communities to promote energy efficiency

6. Program Rationale

The rationale for the proposed program design is to promote energy efficiency to different customer segments through multiple delivery channels with the flexibility and structure to easily adjust financial resources to maximize achievable energy savings. Having the flexibility to quickly adopt new program ideas, develop targeted market campaigns, or include new market vendors through a framework that further encourages market transformation and acceptance for energy efficiency initiatives, is the intent of this program design. SoCalGas has chosen an implementation strategy that uses a single program approach, instead of separate local programs, to better leverage overall portfolio dollars, and internal and external resources to penetrate the market.



SoCalGas believes the statewide SF program is a great framework for incorporating new measures and targeted program campaigns to swiftly react to market and technology breakthroughs. SoCalGas has proposed a concept for its Single Family retrofit market that takes a marketing and delivery model that does not abandon statewide consistency and objectives, but provides flexibility to deviate from less than successful market strategies and focus on strategies offering improved performance as the market dictates, in order to

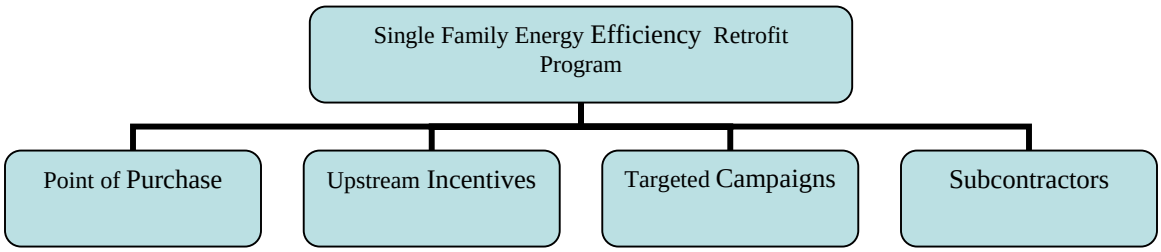
achieve energy savings targets over the next several years and maintain a cost effective program that continues to offer customers new options.

7. Program Outcomes

The SF program design is proposed to bring a portfolio of measures, rebates and incentives to customers through retailer discounts and market vendors to increase customer participation in energy efficiency initiatives. The program is designed to provide valuable information so customers can save energy and money, and make their homes more comfortable and bring a portfolio of measures and rebates through retailer discounts and incentives directly to the customer. The SF program should be able to achieve energy savings that exceed the target allocated to the residential segment, simplify the process by which customers can participate, reduce direct implementation costs over time to allow a shift of more dollars toward rebates and incentives and increase program offerings derived from third-parties, partnerships and new technologies..

8. Program Strategy

In each case above, there will be strategic cross marketing of various resources, such as financing, audits and surveys available to customers to assist with energy efficient upgrades. The concept strategy is intended to expand the availability of information and rebates, as well as expand access for customers. This strategy also supports the gradual introduction of next generation emerging natural gas technologies and a framework for introducing these measures to market easily.



SoCalGas will initially allocate its Single Family budget between seven program campaign elements:

- Statewide rebate promotion
- In-store instant discount program campaign
- High consumption program campaign
- Older home program campaign
- Home remodeling program campaign
- Welcome outreach program campaign
- Upstream incentive program campaign

SoCalGas will promote the statewide home rebate program and rebates through its own mass- market channels and other common statewide marketing channels.

SoCalGas plans to expand its in-store instant rebate program campaign with local and regional retailers to include appliances.

SoCalGas will promote program offerings to comparatively higher-than-average consumers using its market outreach resources, market vendors and community agencies and organizations.

SoCalGas will promote program offerings to homeowners of pre-1970 homes, again using its internal outreach resources, market vendors and community agencies and organizations to reduce energy use in older homes.

SoCalGas will promote program offerings to general contractors through permit departments and architects intended to get customer and contractors to consider upgrading the existing structure (untouched via remodel) with energy efficiency offerings.

SoCalGas will promote program offerings to new utility customers in selected rural regions to quickly reach potentially underserved communities to increase awareness for energy efficiency offerings and rebates.

SoCalGas will promote selected program offerings through an upstream incentive to capture a greater breadth of energy efficient product(s) being installed throughout its service area.

9. Program Objectives

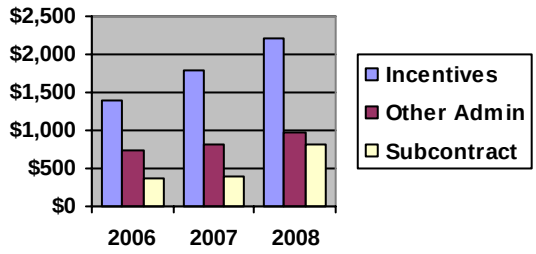
The primary objective of the Single Family Energy Efficiency Retrofit Program is to provide eligible customers with resources to help offset the cost of purchasing energy efficiency product(s). This objective has generated several goals:

- Exceed annual therm energy savings targets
- Push majority of rebates and incentives direct to customers through retailers
- Increase annual customer participation
- Increase program measure portfolio

10. Program Implementation

SoCalGas proposes a portfolio of measures that will be offered to customers through a variety of Single Family program campaigns. Using a single pool of funds, SoCalGas will simultaneously implement multiple program campaigns: statewide rebates, in-store instant discounts, (high) consumption download incentives and rebates, and vintage (old) home upgrade incentives and rebates, remodel upscale rebates, new customer outreach and upstream incentives. The pool of funds will not be allocated in any specific proportion, but gradually exhausted and directed to each of the program campaigns based on monitored energy savings achievement.

Planned Budget Allocation



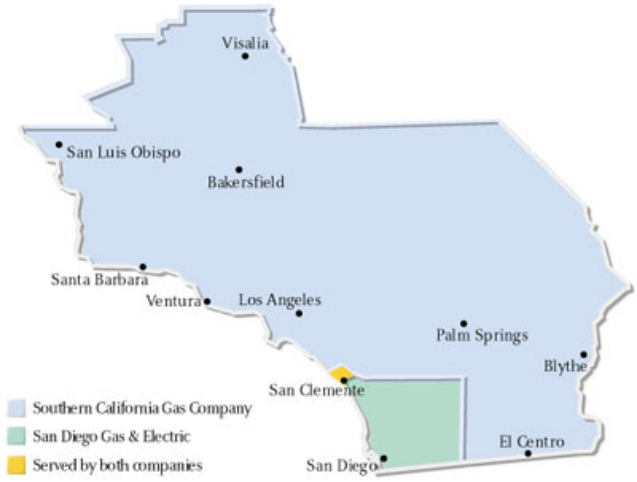
Each of the programs will leverage the marketing, educational and information resources of other Investor-owned Utility programs, partnership relationships and third-party programs. The statewide program will involve the traditional application process for customers purchasing product(s) from non-participating instant discount retailers or customers not targeted through a tailored campaign. The instant rebate campaign may be an entirely statewide program, or include local retailer participation and limited measure involvement by one or more of the utilities. Either way, customers will be provided a discount at the register with the purchase of an energy efficient qualifying measure(s). SoCalGas will offer incentives, as necessary to market agents, to provide audits, inspections and related services to customers targeted specifically by the 'Consumption Download' and 'Vintage Home Upgrade' program campaigns. SoCalGas will present information on rebates to customers targeted by the 'Remodel Upscale' and Welcome Outreach' program campaigns, and develop appropriate incentives, as needed to capture distribution of energy efficient installations through the 'Remodel Upscale' and 'Upstream Incentive' program campaigns. In each of these cases, SoCalGas will target the audience and solicit interest from the customers or market agents, then direct them to an appropriate resource. Rebates paid through retailers or market agents in this program should result in reduced rebate processing, since each retailer or market agent would be providing a single invoice, supported by transaction data, as opposed to separate customer applications.

The program will make applications available to customers both on-line and mail. Home improvement, home survey and general energy efficiency information will be made available to customers through this program and will direct customers to rebate and incentive sources. The number of applications submitted and needing internal processing should decline with implementation of instant rebate and targeted program campaigns. In addition, SoCalGas will explore the opportunity of online rebates for implementation in 2007 to provide customers with an alternative option for requesting a rebate and to enable customers to check status online.

11. Customer Description

Residential homeowners are the primary audience for the program, but to reach this customer class and other similarly defined customers, the program will leverage relationships with resellers, retailers, general contractors, real estate professionals, home inspectors, energy auditors, community based organizations, resale home buyers and new SoCalGas utility customers.

SoCalGas service area encompasses 23,000 square miles of diverse terrain throughout most of Central and Southern California, from Visalia to the Mexican border. As the nation's largest natural gas distribution utility, it serves 18 million through 5 million gas meters in more than 530 communities.



12. Customer Interface

The Residential Energy Efficiency Retrofit Program will offer rebates for installation of energy efficient products that meet or exceed predetermined specifications and incentives to market agents assisting in the distribution or installation of energy efficiency natural gas measures. The program will continue to use existing channels to market its rebate offerings, but will adopt and incorporate alternative market or service strategies to increase the reach of its program offering, and installation of its portfolio of measures. SoCalGas proposes a program design that offers flexibility in the rebate or incentive structure such that a common rebate for statewide consistency can be maintained, but a separate rebate level established for targeted program campaigns.

13. Energy Measures and Program Activities

13.1. Prescriptive Measures

See SoCalGas June 1, 2005 Filing Workbook

13.2. kWh Level Data

See SoCalGas June 1, 2005 Filing Workbook

13.3. Non-energy Activities

None

13.4. Subcontractor Activities

SoCalGas will consider subcontractors to assist with inspection verification, upstream program implementation, retailer management and coordination, direct marketing campaign support - research, material design, printing and distribution and other outreach and customer support services that can be subcontracted

13.5. Quality Assurance and Evaluation Activities

SoCalGas expects to inspect at 5% of all applications submitted for internal processing.

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings,

workshops and possibly hearings throughout the summer to develop these Protocols. SCG looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs

13.6. **Marketing Activities**

SoCalGas will provide information directly to their customers using a variety of methods including, SoCalGas web site, SoCalGas phone centers, bill inserts, direct mail and e-mail. SoCalGas will also coordinate with manufacturers, retailers, distributors, contractors, community based organizations (CBOs) and other interested parties in increasing awareness of the utility rebate program, other related opportunities, and encouraging customers to purchase qualifying products. Marketing and outreach efforts may include:

The utilities will explore options for providing alternative strategies to marketing the programs in constrained areas. One such approach may be a neighborhood-based marketing campaign targeting older master-planned communities to promote energy efficiency. Through this effort, local contractors would independently market and install cost-effective measures such as duct testing and sealing and other measures to help reduce energy loss in the home and increase overall efficiency. By dealing in volume, this effort would offer low-cost measures that are proven energy savers to a large number of program participants. In addition to delivering energy savings, this approach would support the advancement of local community and city goals related to energy efficiency, as well as benefiting many neighborhood and socio-economic groups.

For energy efficiency to achieve full effectiveness throughout California, there must be a coordination of the many messages and resources available to participants. SoCalGas is uniquely positioned to serve in the role of providing unifying guidance to each of the many organizations chartered to deliver energy efficiency. SoCalGas intends to do likewise with the agencies that directly market energy efficiency throughout California, Flex Your Power and others yet to be designated by the State of California. When energy efficiency messages are properly timed and coordinated, their effectiveness is multiplied. The messages will be dovetailed with the product seasonality already established by retailers and manufacturers.

One-to-one Contact	Promotional Vehicles	Delivery Vehicles	Tools
Site Visits	Trade/Association Journals	Bill inserts	Web site information
IOU Call Centers	Chamber Newsletters	Bill messages	Energy Resource Center
Project Specialists	Organization Newsletters	Direct mail	Professional contacts
Customer Service Representatives	Local Newspapers	Conferences	CBOs
Field Account Representatives	Trade Magazines / brochures	Energy audits	Local Governments
Phone Account Representatives	Special promotions	Vendor and trade allies	Business Improvement Districts, Economic Development groups
Customer-convenient Seminars	E-mail marketing	Website on-line forms	Chambers of Commerce
Trade organizations	Printed applications		

Other promotional strategies may include increased media coverage in minority-focused publications, telemarketing, and coordination with community-based organizations on group workshops/seminars.
SoCalGas' web site will provide supplemental information, including current updates regarding available funding levels and printable forms. Forms that can be completed on-line are being considered for development. Customers requiring in-depth information can also call their utility program manager to receive assistance, and detailed program information. Fortunately, based upon 20 plus years of energy efficiency experience, the utility companies understand the many barriers that customers face, and will continue to reach out to them in a variety of ways in an effort to overcome those barriers.

14. Conclusion

The Residential Incentive program will contribute to reducing energy use per capita in California while helping to achieve both the objectives of the State's Energy Action Plan and the emphases of the CPUC. It accomplishes this by affecting a greatly increased level of participation in energy efficiency practices.

The program expands the proportion of installed energy efficient equipment in homes wider and faster than would take place otherwise. The installation of energy efficient end-uses in the home saves money for customers, improves the economy, and reduces greenhouse gas emissions to the environment. It also defrays the cost of power plants, electricity purchases, and utility infrastructure in accordance with the CPUC's effort to meet 55% to 59% of the incremental electric energy needs between 2004 and 2013 through energy efficiency.

	SCG3517 SFR4-Home Efficiency Rebate Program	
BUDGET		
Administrative Costs	**$**	**2,263,108**
Overhead and G&A	$	928,571
Other Administrative Costs	$	1,334,536
Marketing/Outreach	**$**	**3,130,000**
Direct Implementation	**$**	**14,106,892**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	11,370,000
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	1,453,589
Installation	$	-
Hardware & Materials	$	45,000
Rebate Processing & Inspection	$	1,238,303
EM&V Costs	**$**	-
Budget	**$**	**19,500,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**19,500,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		12,729
Net NCP (kW)		13,093
Net CEC (kW)		6,649
Annual Net kWh		30,641,754
Lifecycle Net kWh		543,671,079
Annual Net Therms		5,604,072
Lifecycle Net Therms		95,641,441
Cost Effectiveness		
TRC		
Costs	$	51,854,590
Electric Benefits	$	35,783,191
Gas Benefits	$	37,681,287
Net Benefits (NPV)	$	21,609,888
BC Ratio		1.42
PAC		
Costs	$	18,252,030
Electric Benefits	$	35,783,191
Gas Benefits	$	37,681,287
Net Benefits (NPV)	$	55,212,448
BC Ratio		4.03
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		276,221,621
Cost	$	0.0864
Benefits	$	0.1295
Benefit-Cost	$	0.0431
Levelized Cost PAC ($/kWh)		
Discounted kWh		276,221,621
Cost	$	0.0309
Benefits	$	0.1295
Benefit-Cost	$	0.0987
Levelized Cost TRC ($/therm)		
Discounted Therms		49,705,718
Cost	$	0.5629
Benefits	$	0.7581
Benefit-Cost	$	0.1951
Levelized Cost PAC ($/therm)		
Discounted Therms		49,705,718
Cost	$	0.1956
Benefits	$	0.7581
Benefit-Cost	$	0.5625

SOCALGAS Home Efficiency Rebate Program

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 4,500,000	$ 2,600,000	$ 1,900,000	8,404,901	1,511,100	3,553
2007	$ 6,000,000	$ 3,690,000	$ 2,310,000	10,442,427	1,836,484	4,465
2008	$ 9,000,000	$ 5,080,000	$ 3,920,000	11,794,427	2,256,488	4,711

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	315001	Programmable Thermostat	169	92	-	0.89	Unit	11	-	$ -	$ 58.00	-	-	-
2006	315002	Gas Storage Water Heater (EF>= 0.62)	-	6	-	0.89	Hot Water Tank	15	-	$ 30.00	$ 117.10	-	-	-
2006	315003	Central Gas Furnace >= 90% AFUE	-	0	-	0.89	kBtu heating	20	70,000	$ 2.00	$ 7.83	-	-	11,151
2006	315004	Attic Insulation	1	0	0.00	0.89	1,000 sqft roof	20	8,000,000	$ 0.15	$ 0.94	1,801	5,330,501	645,546
2006	315005	Wall Insulation	1	0	0.00	0.89	sqft	20	3,500,000	$ 0.15	$ 1.12	1,579	2,051,199	508,004
2006	315006	Energy Star Labeled Dishwasher	97	4	0.03	0.8	Dishwasher	5	7,000	$ 30.00	$ 92.62	172	543,200	22,400
2006	315007	Clothes Washer Tier I	40	27	-	0.8	Unit	10	15,000	$ 35.00	$ 175.00	-	480,000	324,000
2006	315008	Clothes Washer Tier II	-	9	-	0.8	Clothes Washer	10	-	$ 75.00	$ 413.00	-	-	-
2007	315001	Programmable Thermostat	169	92	-	0.89	Unit	11	-	$ -	$ 58.00	-	-	-
2007	315002	Gas Storage Water Heater (EF>= 0.62)	-	6	-	0.89	Hot Water Tank	15	-	$ 30.00	$ 117.10	-	-	-
2007	315003	Central Gas Furnace >= 90% AFUE	-	0	-	0.89	kBtu heating	20	70,000	$ 2.00	$ 7.83	-	-	11,151
2007	315004	Attic Insulation	1	0	0.00	0.89	1,000 sqft roof	20	9,500,000	$ 0.15	$ 0.94	2,139	6,329,970	766,586
2007	315005	Wall Insulation	1	0	0.00	0.89	sqft	20	4,500,000	$ 0.15	$ 1.12	2,031	2,637,256	653,147
2007	315006	Energy Star Labeled Dishwasher	97	4	0.030749	0.8	Dishwasher	5	12000	$ 50.00	$ 92.62	295	931,200	38,400
2007	315007	Clothes Washer Tier I	40	27	0	0.8	Unit	10	17000	$ 50.00	$ 175.00	-	544,000	367,200
2007	315008	Clothes Washer Tier II	0	9.379380018	0	0.8	Clothes Washer	10	0	$ 100.00	$ 413.00	-	-	-
2008	315001	Programmable Thermostat	168.8	92.3	0	0.89	Unit	11	0	$ -	$ 58.00	-	-	-
2008	315002	Gas Storage Water Heater (EF>= 0.62)	0	5.76	0	0.89	Hot Water Tank	15	0	$ 30.00	$ 117.10	-	-	-
2008	315003	Central Gas Furnace >= 90% AFUE	0	0.178986	0	0.89	kBtu heating	20	65000	$ 2.00	$ 7.83	-	-	10,354
2008	315004	Attic Insulation	0.7486659	0.09066657	0.00025302	0.89	1,000 sqft roof	20	9500000	$ 0.15	$ 0.94	2,139	6,329,970	766,586
2008	315005	Wall Insulation	0.658491	0.163083	0.00050704	0.89	sqft	20	4500000	$ 0.15	$ 1.12	2,031	2,637,256	653,147
2008	315006	Energy Star Labeled Dishwasher	97	4	0.030749	0.8	Dishwasher	5	22000	$ 50.00	$ 92.62	541	1,707,200	70,400
2008	315007	Clothes Washer Tier I	40	27	0	0.8	Unit	10	35000	$ 50.00	$ 175.00	-	1,120,000	756,000
2008	315008	Clothes Washer Tier II	0	9.379380018	0	0.8	Clothes Washer	10	0	$ 75.00	$ 413.00	-	-	-

2006-2008 Energy Efficiency Concept Paper
Multi Family Energy Efficiency Retrofit Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 315,265	$ 323,523	$ 332,029
Overhead	$ 119,048	$ 142,857	$ 190,476
Direct Implementation			
Financial Incentives	$ 1,404,000	$ 1,808,750	$ 2,200,000
Activity	$ 360,000	$ 385,000	$ 825,000
Installation	$ -	$ -	$ -
Hardware & Materials	$ 35,000	$ 50,000	$ 55,000
Rebate Processing and Inspection	$ 126,687	$ 109,870	$ 97,495
Marketing			
Program Specific Marketing	$ 140,000	$ 180,000	$ 300,000
Statewide Marketing			
Total Program Budget	**$ 2,500,000**	**$ 3,000,000**	**$ 4,000,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
106	211,714	1,030,101	170	337,512	1,335,217	140	152,052	1,748,346

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The Multi Family Rebate program 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. The program is designed for flexibility; it offers agreed upon statewide measures for coordinated implementation, but is designed to easily adapt to market changes, including adding new measures that may emerge in the SoCalGas local service area.

5. Program Statement

What's New for 2006-08?

- Innovation
  - Introduce new program guidelines to maximize participation by re-defining definition of a MF unit from 5+ to 2+ units!
  - Maximize upstream market channels for Furnace and Water Heating

Historically, the multifamily market segment has been considered hard-to-reach, a market segment that did not actively participate in energy efficiency programs prior to 2002. This segment continues to be posed with significant market barriers compared to other residential segments. Specifically, there is the "split incentive" divide between property owner and tenant. Multi-family residents

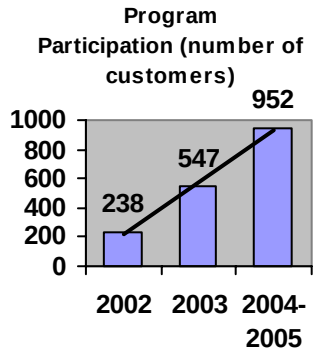
typically pay their own energy bill. Since the property owner, manager, or homeowners associations are only responsible for facility improvements, many times they do not realize the energy savings or financial benefits from installation of energy efficiency measures in the multifamily dwelling. It is a constant challenge to identify new approaches to motivate an owner to pay for incremental capital energy efficient improvements when there is no immediate or direct benefit to a property owner.

The MF Program uses an integrated approach of combining information, education, energy management services, including targeted marketing and customer incentives, to encourage property owners/managers to install energy efficient measures. This multi-faceted approach has proven successful in the 2004 -2005 program, and will be utilized during implementation of the program during 2006- 2008, as well.

Despite the obstacles, this program has been successful in reaching this underserved residential market segment. To continue to build knowledge and understanding of the value of energy efficiency alternatives to the multifamily residential market segment, it is critical to maintain program stability, continuity and momentum. Over the next three years, the program would like to reach a greater diversity of customers, small investor groups holding multiple apartment sites, tenant dwellings of large property managers, and a greater number of community and home owner associations through targeted campaigns and use of upstream vendors.

6. Program Rationale

The rationale for the proposed program design is to promote energy efficiency to the multifamily market segment through multiple delivery channels with the flexibility and structure to easily adjust financial resources to maximize achievable energy savings. Secondly, the California Investor-owned utility programs have demonstrated success over the years for achieving energy savings, as well as managing customer expectation and trust. Having the flexibility to quickly develop new program campaigns easily expand or include new market vendors is a formula for furthering market transformation and acceptance of energy efficiency. SoCalGas has chosen an implementation strategy that uses its single program approach, instead of separate local programs, to better leverage overall portfolio dollars and internal and external resources to penetrate the market, than might be possible having several separate and disparate multifamily targeted programs.



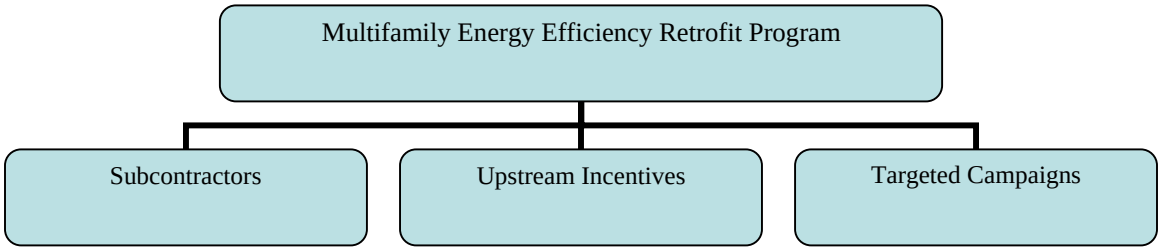
The CPUC energy savings targets for SoCalGas are significantly higher than in past years. SoCalGas believes the statewide MF program is a great framework for incorporating new measures and targeted program campaigns to swiftly react to market and technology breakthroughs. SoCalGas has proposed a concept for its multifamily retrofit market that takes a marketing and delivery model that does not abandon statewide consistency and objectives, but provides flexibility to deviate from less than successful market strategies and focus on strategies offering improved performance as the market dictates, in order to achieve energy savings targets over the next several years and maintain a cost effective program that continues to offer customers new options.

7. Program Outcomes

The MF program is designed to attain long-term energy savings through the installation of energy efficient products in both the common areas and dwelling units of multifamily complexes, including the common areas of condominium complexes and mobile home parks. The concept is proposed to bring a portfolio of measures and rebates and incentives to customers, through retailer discounts and market vendors to increase customer participation in energy efficiency initiatives. The program is designed to provide valuable information so customers can save energy and money, and make their homes more comfortable. The MF program should be able to achieve energy savings that exceed the target allocated to residential segment, simplify the process by which customers can participate, reduce direct implementation costs over time to allow a shift of more dollars toward rebates and incentives and to increase program offerings derived from third-parties, partnerships and new technologies. An additional desired outcome is to heighten energy efficiency awareness and knowledge of both the multifamily property owner/managers and their tenants. Multifamily property owners/managers can greatly influence their tenants' opinions and behaviors through the new energy efficient environment established at the complex. This attitude carries over to homeownership. Once these tenants purchase a home, the energy efficient mindset has already been established and is carried forward in making their new home energy efficient.

8. Program Strategy

The SoCalGas Multifamily Energy Efficiency Retrofit Program will offer rebates and incentives for installation of energy efficient products that meet or exceed predetermined specifications. The program will expand existing delivery strategies and will incorporate new strategies for reaching more multifamily properties and community associations. Instead of creating a large portfolio of new programs, the proposed concept framework is intended to expand that availability and installation of existing energy efficient natural gas products, while new technologies, next generation and innovative natural gas products become commercially available and affordable.



The SoCalGas program will incorporate the existing multifamily statewide element, but add several new program campaign elements to maximize the reach and effectiveness of the program to this hard-to-reach market segment. The program will target multifamily residential dwellings served by SoCalGas, as well as market agents serving this market segment. SoCalGas plans to provide rebates direct to customers, and through resellers and contractors. The Program will offer incentives to distributors, contractors and market agents who provide and deliver energy efficient equipment to the market for installation in this residential market segment.

An internal staff liaison will provide outreach and coordination with key market agents to develop relationships that promote success for the SoCalGas program campaigns. SoCalGas proposes a program design that offers flexibility in the rebate or incentive structure such that a common rebate for statewide consistency can be maintained, but a separate rebate level established for targeted program campaigns.

SoCalGas will initially allocate its Multifamily budget between four program campaign elements:

- Statewide rebate program campaign
- Upstream Incentive program campaign
- Small Multifamily Investor program campaign
- Large Property Management Specialists program campaign
- Property Owner recognition & publicity search campaign

SoCalGas will promote the statewide home rebate program and rebates through its own mass- market channels and other common statewide marketing channels.

SoCalGas will promote common area measures such as water heating and space heating boilers through an ‘Upstream Incentive’ program campaign using distribution market agents to capture a greater breadth of energy efficient products being installed throughout its service area.

SoCalGas will promote common area measures such as water heating and space heating boilers, controls and insulation to partnerships and individual investors/owners of multifamily properties through a ‘Small Multifamily Investor’ program campaign leveraging public sources, and outreach resources both in and outside of the company.

SoCalGas will promote program offerings to Property Management Specialists through a 'Clean Sweep' program campaign, using its internal outreach resources and relationships with market agents, housing authorities and key contacts in large Property Management Companies to encourage early replacement of tenant-dwelling dishwashers.

In each case above, there will be strategic cross marketing of various resources and services, including financing, that are available to customers to assist with energy efficient upgrades. This concept is intended to expand the availability of information and rebates, as well as expand access for customers. This strategy also supports gradual introduction of next generation emerging natural gas technologies and a framework for introducing these measures to market easily.

Expected Measure Installations/Maintenance or Practices Adopted:
Large Natural Gas Central Water Heater
Boiler – Space and Water Heating
Boiler – Water Heating only
Boiler Controls
Energy Star Dishwasher
Attic Insulation
Wall Insulation

9. Program Objectives

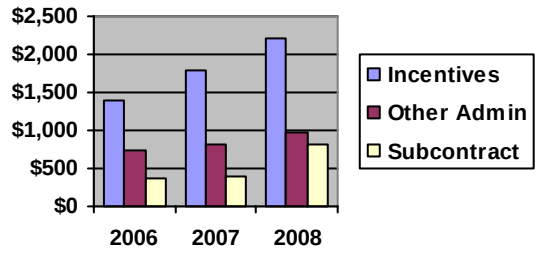
The primary objective of the Multifamily Energy Efficiency Retrofit Program is to provide eligible customers resources to help offset the cost of purchasing energy efficiency product(s). This objective has generated several goals:

- Exceed annual therm energy savings targets
- Push majority of rebates and incentives direct to customers through upstream market vendors
- Increase annual customer participation
- Increase program measure portfolio

10. Program Implementation

SoCalGas proposes a portfolio of measures that will be offered to customers through a variety of multifamily program campaigns. Using a single pool of funds, SoCalGas will simultaneously implement multiple program campaigns; statewide rebates, upstream distributor incentives, property management appliance rebates and small multifamily investor rebates. The pool of funds will not be allocated in any specific proportion, but gradually exhausted and directed to each of the program campaigns based on monitored energy savings achievement.

Planned Budget Allocation

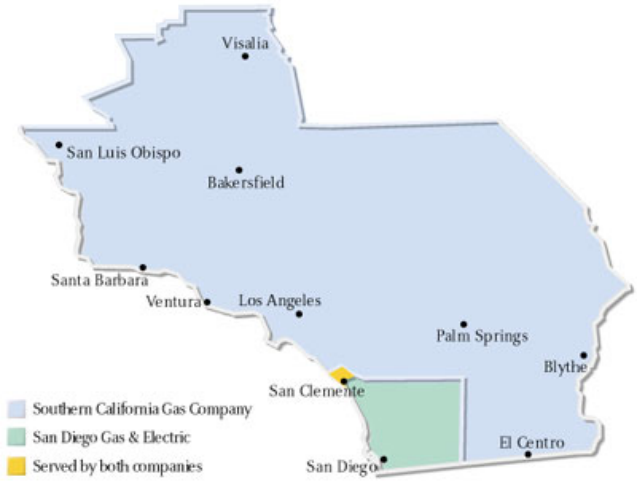


Each of the programs will leverage the marketing, educational and information resources of other Investor-owned Utility programs, partnership relationships and third-party programs. The statewide program will involve the traditional application process for customers purchasing product(s) from non-participating instant discount retailers or customers not targeted through a tailored campaign. SoCalGas will offer incentives, as necessary to market vendors, to provide audits, inspections and related services to customers targeted specifically by the 'Small Multifamily Investor' and 'Clean Sweep' program campaigns. The MF program will also increase awareness of exceptional program participants by generating publicity and recognition for upgrades that demonstrate advanced technology, design and energy savings. Incentives paid to distributors and property managers via 'Clean Sweep' will involve consolidated invoicing to expedite payment, reduce paperwork and rebate processing.

11. Customer Description

Residential Multifamily Property Owners of two or more dwelling units, Home Owner Associations, Mobile Home Park Associations and other similarly defined housing served by SoCalGas are the primary audience for the program; however to reach this market segment and various types of similar multifamily properties, the program will leverage relationships with product resellers, contractors, distributors, property managers, real estate professionals, housing agencies and community based organizations.

SoCalGas service area encompasses 23,000 square miles of diverse terrain throughout most of Central and Southern California, from Visalia to the Mexican border. As the nation's largest natural gas distribution utility, it serves 18 million through 5 million gas meters in more than 530 communities.



12. Customer Interface

The program will be presented to customers through various outreach and marketing channels. The customer will obtain program information and program assistance from SoCalGas employees who work directly with these targeted customers, as well as trade organizations. These employees include, but are not limited to Energy Program Advisors, Outreach Liaison, Public Affairs Managers, and specially trained Residential Marketing Service Representatives in SoCalGas' Customer Contact Center.

Informational pieces will be provided through multiple channels to inform customers of the amount of rebate available for specific energy efficient measures.

SoCalGas will work closely with manufacturers, vendors, distributors, and trade organizations to train them to assist their customers in program utilization and value.

SoCalGas will promote the statewide multifamily rebate program and rebates through its own mass- market channels and other common statewide marketing channels.

SoCalGas will promote selected program offerings through upstream channels using market vendors to capture a greater breadth of energy efficient products being installed throughout its service area.

SoCalGas will promote program offerings to real-estate investment partnerships and individual investors/owners of multifamily properties using subcontractor sources and its own outreach resources to attract customers.

SoCalGas will promote program offerings to Property Management Specialists using its internal outreach resources and relationships with market vendors, housing authorities and key contacts in large management companies to encourage early replacement of selected tenant-dwelling measures.

SoCalGas will seek out and recognize multifamily properties and property owners using energy efficient measures, for not only helping to reduce energy usage, but who look to transform and enhance communities through such innovative actions.

In each case above, there will be strategic cross marketing of various resources and services, including the possibility of an on-bill financing option for eligible customers who participate in this rebate program. Once qualified under the OBF Option (see OBF Program proposal for details), the participating customer would receive a reduced rebate and finance the balance of the cost of a qualified energy efficiency package through the utility. Demand response measures may also qualify for financing where included as part of the energy efficiency upgrade. Monthly payment on a term loan would be billed as part of the participating customer's monthly utility bill.

13. Energy Measures and Program Activities

13.1. **Prescriptive Measures**
See SoCalGas June 1, 2005 Filing Workbook

13.2. **kWh Level Data**
See SoCalGas June 1, 2005 Filing Workbook

13.3. **Non-energy Activities**
None

13.4. **Subcontractor Activities**
SoCalGas will consider subcontractors to assist with inspection verification, upstream program implementation, retailer management and coordination, direct marketing campaign support - research, material design, printing and distribution and other outreach and customer support services that can be subcontracted

13.5. **Quality Assurance and Evaluation Activities –**

13.5.1. SoCalGas expects to inspect at 50% of all applications submitted for internal processing.

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SCG looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs

13.6. **Marketing Activities**
Encouraging customers to invest in energy efficiency requires a multi-faceted and innovative marketing approach. This approach involves the use of a combination of mail-outs, personal, and CBO-coordinated efforts. The marketing plan's primary objective is to provide the hard-to-reach customer with equitable access to the program. SoCalGas' approach will include, but not be limited to:

- Direct mail pieces will target economic development areas, rural areas and those areas defined as Hard to Reach
- Informational pieces to inform customers of the amount of rebate available for specific energy efficient measures.

One-to-one Contact	Promotional Vehicles	Delivery Vehicles	Tools
Site Visits	Trade/Association Journals	Bill inserts	Web site information
IOU Call Centers	Chamber Newsletters	Bill messages	Energy Resource Center
Project Specialists	Organization Newsletters	Direct mail	Professional contacts
Customer Service Representatives	Local Newspapers	Conferences	CBOs
Field Account Representatives	Trade Magazines / brochures	Energy audits	Printed applications
Phone Account Representatives	Special promotions	Vendor and trade allies	Business Improvement Districts, Economic Development groups
Customer-convenient Seminars	E-mail marketing	Website on-line forms	Chambers of Commerce
Trade organizations	Local Governments		

The utilities may also assist local small businesses that sell energy efficient equipment to develop informational pieces for distribution to their own customers.

Other promotional strategies may include increased media coverage in minority-focused publications, telemarketing, and coordination with community-based organizations to work on group workshops/seminars.

SoCalGas' Web site will provide supplemental information, including current updates regarding available funding levels and printable forms. Forms that can be completed on-line are being considered for development. Customers requiring in-depth information can also call their utility program manager to receive assistance, and detailed program information and to make fund reservations. Fortunately, based upon 20 plus years of energy efficiency experience, the utility companies understand the many barriers that customers face, and will continue to reach out to them in a variety of ways in an effort to overcome those barriers.

14. Conclusion

The program expands the proportion of installed energy efficient equipment in apartments and condominium wider and faster than would take place otherwise. The installation of energy efficient end-uses in these MF residences saves money for customers, improves the economy, and reduces greenhouse gas emissions to the environment. It also defrays the cost of power plants, electricity purchases, and utility infrastructure in accordance with the CPUC's effort to meet 55% to 59% of the incremental electric energy needs between 2004 and 2013 through energy efficiency.

	SCG3510 MFR4-Multi-Family Rebate Program	
BUDGET		
Administrative Costs	**$**	**1,423,199**
Overhead and G&A	$	452,381
Other Administrative Costs	$	970,818
Marketing/Outreach	**$**	**620,000**
Direct Implementation	**$**	**7,456,801**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	5,412,750
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	1,570,000
Installation	$	-
Hardware & Materials	$	140,000
Rebate Processing & Inspection	$	334,051
EM&V Costs	**$**	-
Budget	**$**	**9,500,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**9,500,000**

PROGRAM IMPACTS	
Net Smr Pk (kW)	415
Net NCP (kW)	458
Net CEC (kW)	152
Annual Net kWh	701,278
Lifecycle Net kWh	8,409,563
Annual Net Therms	4,113,663
Lifecycle Net Therms	71,542,829
Cost Effectiveness	
TRC	
Costs	$ 19,218,811
Electric Benefits	$ 689,004
Gas Benefits	$ 25,690,333
Net Benefits (NPV)	$ 7,160,526
BC Ratio	1.37
PAC	
Costs	$ 8,931,570
Electric Benefits	$ 689,004
Gas Benefits	$ 25,690,333
Net Benefits (NPV)	$ 17,447,767
BC Ratio	2.95
Levelized Cost	
Levelized Cost TRC ($/kWh)	
Discounted kWh	4,696,183
Cost	$ 0.1452
Benefits	$ 0.1467
Benefit-Cost	$ 0.0015
Levelized Cost PAC ($/kWh)	
Discounted kWh	4,696,183
Cost	$ 0.0610
Benefits	$ 0.1467
Benefit-Cost	$ 0.0857
Levelized Cost TRC ($/therm)	
Discounted Therms	37,434,710
Cost	$ 0.4952
Benefits	$ 0.6863
Benefit-Cost	$ 0.1911
Levelized Cost PAC ($/therm)	
Discounted Therms	37,434,710
Cost	$ 0.2309
Benefits	$ 0.6863
Benefit-Cost	$ 0.4553

SOCALGAS Multi-Family Rebate Program

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 2,500,000	$ 1,404,000	$ 1,096,000	211,714	1,030,101	106
2007	$ 3,000,000	$ 1,808,750	$ 1,191,250	337,512	1,335,217	170
2008	$ 4,000,000	$ 2,200,000	$ 1,800,000	152,052	1,748,346	140

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	312001	Programmable Thermostat	382	33	-	0.89	Unit	12	-	$ 50.00	$ 58.00	-	-	-
2006	312002	Natural Gas Storage Water Heater (EF>= 0.63)	-	5	-	0.89	Hot Water Tank	15	-	$ 30.00	$ 117.10	-	-	-
2006	312003	Central Gas Furnace >= 90% AFUE	-	17	-	0.89	Unit	20	-	$ 200.00	$ 5,530.00	-	-	-
2006	312004	Attic Insulation	1	0	0.00	0.89	1,000 sqft roof	20	100,000	$ 0.15	$ 0.94	53	62,173	8,572
2006	312005	Wall Insulation	1	0	0.00	0.89	1,000 sqft wall (excl. windows)	20	10,000	$ 0.15	$ 1.12	7	5,541	2,353
2006	312006	Faucet Aerator	57	3	0.01	0.89	Household	9	-	$ 1.00	$ 1.14	-	-	-
2006	312007	Low-Flow Showerhead	76	4	0.02	0.89	Showerhead	9	-	$ 1.00	$ 20.49	-	-	-
2006	312008	Central System Natural Gas Water Heater	-	257	-	0.89	Unit	15	100	$ 500.00	$ 4,000.00	-	-	22,873
2006	312009	Central System Gas Boiler: Water Heating Only	-	750	-	0.89	Unit	20	600	$ 1,000.00	$ 4,060.00	-	-	400,500
2006	312010	Central System Gas Boiler: Space and Water Heating	-	1,900	-	0.89	Unit	20	50	$ 1,500.00	$ 4,060.00	-	-	84,550
2006	312011	Energy Star Dishwasher	72	3	0.02	0.8	Dishwasher	5	2,500	$ 30.00	$ 92.62	46	144,000	6,000
2006	312012	Gas Wtr Htr and/or Boiler Controller (< 20 units)	-	554	-	0.89	Unit	15	50	$ 750.00	$ 1,500.00	-	-	24,653
2006	312013	Energy Star Coin-Op Clothes Washer (In Common Laundry Area)	26	148	-	0.8	Unit	10	-	$ 150.00	$ 175.00	-	-	-
2006	312014	Gas Wtr Htr and/or Boiler Controller Non-Digital Graphing (>= 20 units)	0	900	0	0.89	Unit	15	200	$ 750.00	$ 3,500.00	-	-	160,200
2006	312015	Gas Wtr Htr and/or Boiler Controller Digital Graphing (>= 20 units)	0	900	0	0.89	Unit	15	400	$ 1,000.00	$ 1,500.00	-	-	320,400
2006	312016	Tier I Clothes Washer (In Coin-Op Laundry Area)	40	27	0	0.8	Unit	10	0	$ 75.00	$ 175.00	-	-	-
2006	312017	Tier II Clothes Washer (In Coin-Op Laundry Area)	48	43	0	0.8	Unit	10	0	$ 125.00	$ 200.00	-	-	-
2006	312018	Clothes Washer Tier I (Located In Apartment Unit)				0.8	Unit		0	$ 75.00	$ -	-	-	-
2006	312019	Clothes Washer Tier II (Located In Apartment Unit)				0.8	Unit		0	$ 125.00	$ -	-	-	-
2007	312001	Programmable Thermostat	381.8	33.2	0	0.89	Unit	12	0	$ 50.00	$ 58.00	-	-	-
2007	312002	Natural Gas Storage Water Heater (EF>= 0.63)	0	5.175	0	0.89	Hot Water Tank	15	0	$ 30.00	$ 117.10	-	-	-
2007	312003	Central Gas Furnace >= 90% AFUE	0	16.672	0	0.89	Unit	20	0	$ 200.00	$ 5,530.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	312004	Attic Insulation	0.6985688	0.09631019	0.00059979	0.89	1,000 sqft roof	20	150000	$ 0.15	$ 0.94	80	93,259	12,857
2007	312005	Wall Insulation	0.622622	0.264423	0.00074254	0.89	1,000 sqft wall (excl. windows)	20	25000	$ 0.15	$ 1.12	17	13,853	5,883
2007	312006	Faucet Aerator	57.18	3.105	0.0125796	0.89	Household	9	0	$ 1.00	$ 1.14	-	-	-
2007	312007	Low-Flow Showerhead	76.24	4.14	0.0167728	0.89	Showerhead	9	0	$ 1.00	$ 20.49	-	-	-
2007	312008	Central System Natural Gas Water Heater	0	257	0	0.89	Unit	15	100	$ 500.00	$ 4,000.00	-	-	22,873
2007	312009	Central System Gas Boiler: Water Heating Only	0	750	0	0.89	Unit	20	800	$ 1,000.00	$ 4,060.00	-	-	534,000
2007	312010	Central System Gas Boiler: Space and Water Heating	0	1900	0	0.89	Unit	20	50	$ 1,000.00	$ 4,060.00	-	-	84,550
2007	312011	Energy Star Dishwasher	72	3	0.022824	0.8	Dishwasher	5	4000	$ 30.00	$ 92.62	73	230,400	9,600
2007	312012	Gas Wtr Htr and/or Boiler Controller (< 20 units)	-	$ 554.00	$ -	0.89	Unit	15	50	$ 750.00	$ 1,500.00	-	-	24,653
2007	312013	Energy Star Coin-Op Clothes Washer (In Common Laundry Area)	26	$ 148.00	$ -	0.8	Unit	10	0	$ 150.00	$ 175.00	-	-	-
2007	312014	Gas Wtr Htr and/or Boiler Controller Non-Digital Graphing (>= 20 units)	-	$ 900.00	$ -	0.89	Unit	15	300	$ 750.00	$ 3,500.00	-	-	240,300
2007	312015	Gas Wtr Htr and/or Boiler Controller Digital Graphing (>= 20 units)	-	$ 900.00	$ -	0.89	Unit	15	500	$ 1,000.00	$ 1,500.00	-	-	400,500
2007	312016	Tier I Clothes Washer (In Coin-Op Laundry Area)	40	$ 27.00	$ -	0.8	Unit	10	0	$ 75.00	$ 175.00	-	-	-
2007	312017	Tier II Clothes Washer (In Coin-Op Laundry Area)	48	$ 43.00	$ -	0.8	Unit	10	0	$ 125.00	$ 200.00	-	-	-
2007	312018	Clothes Washer Tier I (Located In Apartment Unit)				0.8	Unit		0	$ 75.00	$ -	-	-	-
2007	312019	Clothes Washer Tier II (Located In Apartment Unit)				0.8	Unit		0	$ 125.00	$ -	-	-	-
2008	312001	Programmable Thermostat	382	$ 33.20	$ -	0.89	Unit	12	0	$ 50.00	$ 58.00	-	-	-
2008	312002	Natural Gas Storage Water Heater (EF>= 0.63)	-	$ 5.18	$ -	0.89	Hot Water Tank	15	0	$ 30.00	$ 117.10	-	-	-
2008	312003	Central Gas Furnace >= 90% AFUE	-	$ 16.67	$ -	0.89	Unit	20	0	$ 200.00	$ 5,530.00	-	-	-
2008	312004	Attic Insulation	1	$ 0.10	$ 0.00	0.89	1,000 sqft roof	20	200000	$ 0.15	$ 0.94	107	124,345	17,143
2008	312005	Wall Insulation	1	$ 0.26	$ 0.00	0.89	1,000 sqft wall (excl. windows)	20	50000	$ 0.15	$ 1.12	33	27,707	11,767
2008	312006	Faucet Aerator	57	$ 3.11	$ 0.01	0.89	Household	9	0	$ 1.00	$ 1.14	-	-	-
2008	312007	Low-Flow Showerhead	76	$ 4.14	$ 0.02	0.89	Showerhead	9	0	$ 1.00	$ 20.49	-	-	-
2008	312008	Central System Natural Gas Water Heater	-	$ 257.00	$ -	0.89	Unit	15	250	$ 500.00	$ 4,000.00	-	-	57,183
2008	312009	Central System Gas Boiler: Water Heating Only	-	$ 750.00	$ -	0.89	Unit	20	1000	$ 1,000.00	$ 4,060.00	-	-	667,500
2008	312010	Central System Gas Boiler: Space and Water Heating	-	$ 1,900.00	$ -	0.89	Unit	20	100	$ 1,000.00	$ 4,060.00	-	-	169,100
2008	312011	Energy Star Dishwasher	72	$ 3.00	$ 0.02	0.8	Dishwasher	5	0	$ 30.00	$ 92.62	-	-	-
2008	312012	Gas Wtr Htr and/or Boiler Controller (< 20 units)	-	$ 554.00	$ -	0.89	Unit	15	50	$ 750.00	$ 1,500.00	-	-	24,653

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2008	312013	Energy Star Coin-Op Clothes Washer (In Common Laundry Area)	26	$ 148.00	$ -	0.8	Unit	10	0	$ 150.00	$ 175.00	-	-	-
2008	312014	Gas Wtr Htr and/or Boiler Controller Non-Digital Graphing (>= 20 units)	-	$ 900.00	$ -	0.89	Unit	15	400	$ 750.00	$ 3,500.00	-	-	320,400
2008	312015	Gas Wtr Htr and/or Boiler Controller Digital Graphing (>= 20 units)	-	$ 900.00	$ -	0.89	Unit	15	600	$ 1,000.00	$ 1,500.00	-	-	480,600
2008	312016	Tier I Clothes Washer (In Coin-Op Laundry Area)	40	$ 27.00	$ -	0.8	Unit	10	0	$ 75.00	$ 175.00	-	-	-
2008	312017	Tier II Clothes Washer (In Coin-Op Laundry Area)	48	$ 43.00	$ -	0.8	Unit	10	0	$ 125.00	$ 200.00	-	-	-
2008	312018	Clothes Washer Tier I (Located In Apartment Unit)				0.8	Unit		0	$ 75.00	$ -	-	-	-
2008	312019	Clothes Washer Tier II (Located In Apartment Unit)				0.8	Unit		0	$ 125.00	$ -	-	-	-

2006-2008 Energy Efficiency Concept Paper
Home Energy Efficiency Survey

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 106,054	$ 108,951	$ 111,934
Overhead	$ 28,571	$ 28,571	$ 33,333
Direct Implementation			
Financial Incentives	$ -	$ -	$ -
Activity	$ 400,000	$ 400,000	$ 480,000
Installation	$ -	$ -	$ -
Hardware & Materials	$ -	$ -	$ -
Rebate Processing and Inspection	$ 12,065	$ 12,427	$ 12,800
Marketing			
Program Specific Marketing	$ 53,310	$ 50,051	$ 61,933
Statewide Marketing			
Total Program Budget	**$ 600,000**	**$ 600,000**	**$ 700,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	-	-	-	-	-	-	-

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The Home Energy Efficiency Survey (HEES) program is a statewide program that provides residential customers the opportunity to participate in mail-in, online, and in-home analysis of their home energy use. The primary intent of the program is to increase customer participation and greater crossover with the energy efficiency rebate programs.

5. Program Statement

There is a gap between information about energy efficiency programs and the ability for customers to take action to convert this information into measurable energy savings. Energy surveys are the opportunity to share specific energy-efficiency recommendations and comprehensive information that assist customers understand, manage, and reduce their use of energy. The Home Energy Efficiency Surveys have proven to

What's New for 2006-08?

- Innovation
  - Provide alternative energy efficiency solutions
  - Package applications and point-of-sale information with survey report.
- Other Program Improvements
  - Offer comparative consumption analysis with surveys.
  - Establish ongoing communication and promotion with consent of participant

be an effective tool to attract customers to rebate programs and to the idea of energy efficiency, two considerations that may have largely been ignored without the presence of the program.

6. Program Rationale

The HEES program provides customers with timely information at no charge which assists them with understanding, managing, and reducing energy use in their homes. The materials provide guidelines for helping them to adopt energy efficiency products and to making informed purchase decisions.

The statewide HEES program is a comprehensive multilingual program designed to reach a wide range of customers by offering three types of energy survey options: mail-in, online and in-home. HEES provides practical information that customers can use to better understand energy use in their homes and to empower them to make educated decisions related to energy efficiency and equipment upgrades. This multifaceted approach recognizes that customers have distinct needs that may make one type of delivery channel more appealing than another. As a result, the HEES program is positioned to reach the largest number of customers possible by providing multiple options for customer's participation, including hard-to-reach customers who typically have less access and fewer program alternatives. All delivery channels help customers understand how their behavior can affect energy costs, how to improve their homes' energy efficiency, and what additional resources and programs are available to help reduce energy use.

Enhancements to the mail-in and online surveys include tracking customer's adoption of energy efficiency recommendations, and communications to keep customers engaged in saving energy and money. The enhancements are intended to create a stronger link to energy efficiency rebate programs and other offerings.

7. Program Outcomes

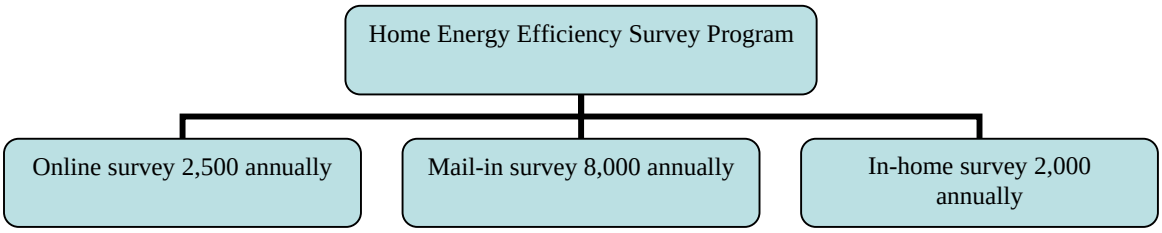
The program is designed to provide valuable information so customers can:

- Save energy and money;
- Make their homes more comfortable;
- Discover additional resources and programs that are available to help reduce energy use; and
- Explore mechanisms for capturing and claiming confirmed energy savings for projects that install but do not require a financial incentive or rebate through any of the energy efficiency programs

The statewide HEES 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 utility companies will continue to expand efforts to include hard-to-reach customers who have yet to take advantage of the many utility company programs and energy efficiency services. Utility companies will continue to focus on improving the current program by increasing participation, ensuring customer equity, and providing innovative approaches to program participation and by coordinating with other existing programs to maximize program efficiency.

8. Program Strategy

The program provides comprehensive, multilingual mail-in, online and in-home energy surveys to SoCalGas residential customers with energy efficiency information to help them reduce their energy bills. Customers receive customized energy recommendations and information on incentive and rebate programs to customers through the internet, by mail, or in the home.



The marketing plan will include targeted direct mail campaigns that take into consideration a greater set of criteria and customer behavior than the predecessor program. The program will initiate online marketing and coordination with the statewide marketing agencies and new outreach channels. SoCalGas will also explore opportunities to coordinate with community-based organizations (CBO) and faith-based organizations (FBO) to directly deliver program services.

9. Program Objectives

Program success will be evaluated on the basis of number of audits/surveys achieved relative to stated targets, for each of the three delivery methods. Program effectiveness will be evaluated by a survey comparing actions taken as a result of program participation to actions taken by a comparison group of non-participants. The program effectiveness in educating customers will be measured either by pre- and post-program questionnaires to measure energy-efficiency knowledge differences, or by a post-program survey comparing the knowledge levels of participants to non-participants.

Program effectiveness will also be measured by customer satisfaction with the program processes.

10. Program Implementation

Each utility company may provide incentives to residential customers who complete the surveys online in order to increase customer's response rate to solicitation materials. In addition, utility companies will increase program visibility and accessibility through leveraging of existing rebate programs with marketing partnerships. Details on any pilot marketing promotion will be reported in each utility's quarterly reports to the Commission.

The program will continue to work closely with statewide programs to maximize program efficiency. Its current design incorporates cross marketing of other information, service and rebate programs to include statewide marketing and outreach programs.

Because of its comprehensive approach, the HEES program can effectively target customers while communicating and cross-selling other energy efficiency programs and services. All three surveys will be coordinated with the other residential energy efficiency programs offered by utility companies. Customized messages on energy efficiency programs, rebates, promotional webpage, and links will be added to specific energy efficiency recommendations in the mail-in and online surveys. Once customers complete the surveys, reports back to the customers include information on the customers' home energy use, available energy efficiency products, services and information on rebate programs offered by the IOUs.

SoCalGas will work in a partnership with SCE to offer common customers a single in-home audit visit, covering both natural gas and electric energy savings information, as well as target customers in its exclusive service area to achieve 2,000 annual surveys between 2006 and 2008.

Customer Enrollment

Mail-In

Participating customers receive a survey either through direct mail, contacting their local utility, or by printing a hardcopy of the online survey. Customers will mail completed surveys to a statewide mail-in survey contractor for processing. Once received, surveys are analyzed against customer billing data to produce an energy analysis report containing customer-specific results. SoCalGas and SCE are evaluating integrated customer billing data to improve the effectiveness of the reporting. Reports include 1) an end-use breakdown of natural gas and electricity, 2) monthly usage trend graph, and 3) a set of recommendations, with corresponding estimated savings that are appropriate for each customer based on their survey responses. Additionally, reports include information on energy efficiency products and services, rebate programs, and other energy-related information to encourage adoption of energy efficiency measures identified through the energy survey.

Online Interactive

Online surveys provide customers easy access via the utility company's web sites. The interactive feature allows customers to obtain immediate results by answering specific questions regarding their home energy use on line. This online home energy analysis only takes a few minutes to complete and provides an analysis of energy use in their homes as well as energy-saving recommendations. The online surveys are available in both the short and extended versions. In addition, promotions may be offered to increase customer participation.

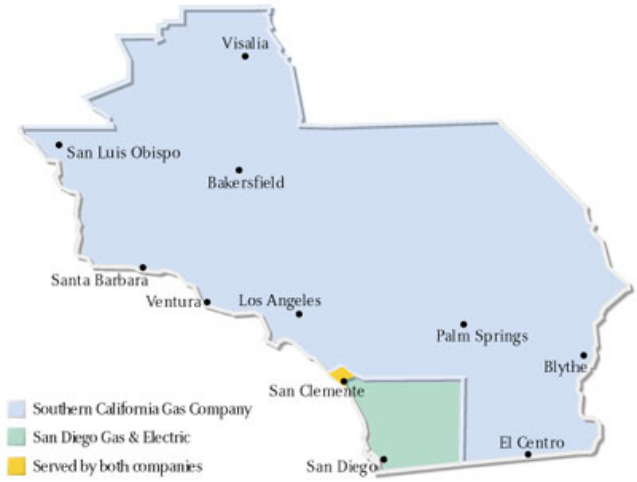
In-Home Survey

Customers in SoCalGas service territory may participate in this component by contacting SoCalGas. This approach provides customers, particularly hard-to-reach customers who do not respond to Internet and mail-in survey options, with a more personalized, face-to-face energy survey option. A specially trained energy auditor inspects the home and can provide the customer with immediate answers to basic questions, as well as specific recommendations on how customers can save energy and manage cost based on their home and lifestyles. In addition, promotions may be offered to increase customer

participation, such as, the replacement of low-flow showerheads to help reduce both natural gas and water consumption.

11. Customer Description

HEES online interactive, mail-in survey and in-home survey components are available to residential customers.



12. Customer Interface

The program targets residential customers in three distinct market segments: 1) customers with frequent internet access, at home and work, 2) customers with limited online access, and 3) hard-to-reach customers with limited or no online access that prefer a more personalized face-to-face in-home survey option.

Customers with frequent internet access, at home and work - The interactive online survey provides customers who frequently access the internet with an interactive feature easily accessible on utility websites, which allows customers to obtain immediate results by answering specific questions regarding their home energy use online. This online home energy analysis only takes few minutes to complete, and provides an analysis of energy use in their home as well as energy-saving recommendations.

Customers with limited online access - The written version of the survey is currently available in English, Spanish, Chinese, Vietnamese and Korean. This mail-in survey version allows customers with limited or no online access the flexibility of an easy-to-complete mail-back format.

The in-home survey provides customers, particularly hard-to-reach customers who may not respond to online and mail-in survey options, with a more personalized, face-to-face energy survey alternative. Residential customers residing in SCE, SoCalGas and SDG&E service territories may participate in this program component by contacting their local utility.

13. Energy Measures and Program Activities

13.1. Prescriptive Measures

Not applicable.

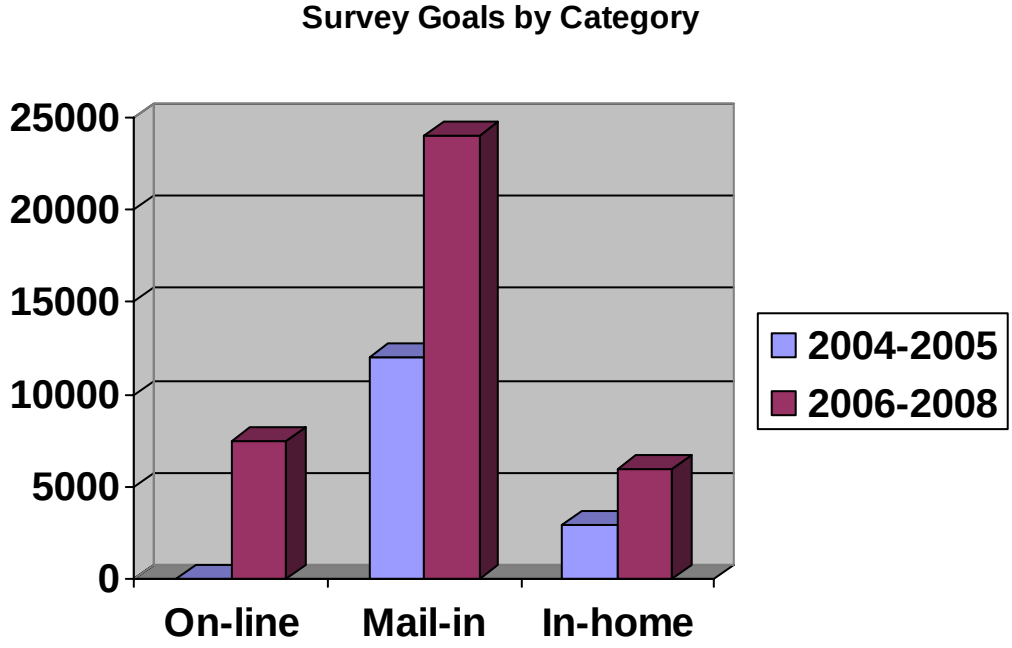
13.2. kWh Level Data

Not applicable.

13.3. **Non-energy Activities** (Audits, Trainings, etc.)

End Use	Measure Type*
Online Surveys	7,500 Surveys
Mail-In Surveys	24,000 Surveys
In-Home Surveys	6,000 Audits
Grand Total	**37,500 Surveys**

* Three-year survey totals (2006-2008)



13.4. **Subcontractor Activities**

Subcontractor – Statewide Mail-In Survey: SoCalGas is currently planning to team with SCE to gain synergies resulting with the selection of a subcontractor to provide mail-in surveys and reports to customers located within the combined SoCalGas and SCE service area.

Subcontractor – In-Home Audit Services – SoCalGas is currently planning to team with SCE to contract with a subcontractor to provide in-home audits to customers located within the combined SoCalGas and SCE service area.

13.5. **Quality Assurance and Evaluation Activities**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs

13.6. **Marketing Activities**.

The program will incorporate a variety of marketing approaches to promote its availability and increase outreach. Because utility service areas and customer segments are unique, marketing efforts may be tailored by each utility to obtain maximum effectiveness and the highest response rate. Where practical, utilities will jointly launch marketing efforts, and will explore opportunities to coordinate with CBO and FBO in outreach and provide services to traditionally hard-to-reach areas. These CBO and FBO may include churches, community centers, adult schools and senior centers. Similarly, the utility will continue to coordinate closely with the statewide marketing and outreach campaign.

Promotional and Incentive based marketing approaches are being explored to drive customer participation.

The replacements of low-flow showerheads and aerators are proposed for this information program as a first step effort to encourage additional upgrades to both natural gas and water consumption. This will directly benefit the customer to be more energy-efficient.

14. Conclusion

The HEES program provides comprehensive multi-lingual energy efficiency information to a wide range of residential customers by offering online, mail-in and in-home energy surveys. Providing customers with the needed information to take the next step in saving energy.

	SCG3509 HES4-Home Energy Efficiency Survey	
BUDGET		
Administrative Costs	**$**	**417,416**
Overhead and G&A	$	90,476
Other Administrative Costs	$	326,939
Marketing/Outreach	**$**	**165,293**
Direct Implementation	**$**	**1,317,291**
Total Incentives and Rebates	$	-
User Input Incentive	$	-
Direct Install Rebate	$	-
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	1,280,000
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	37,291
EM&V Costs	**$**	-
Budget	**$**	**1,900,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**1,900,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		-
Lifecycle Net Therms		-
Cost Effectiveness		
TRC		
Costs	$	1,900,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
PAC		
Costs	$	1,900,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-

NONRESIDENTIAL PROGRAMS

2006-2008 Energy Efficiency Concept Paper
Statewide Nonresidential Express Efficiency Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 782,332	$ 1,016,352	$ 1,144,021
Overhead	$ 252,764	$ 365,666	$ 434,009
Direct Implementation			
Financial Incentives	$ 2,028,500	$ 3,296,120	$ 3,908,300
Activity	$ 667,075	$ 804,591	$ 1,060,877
Installation	$ -	$ -	$ -
Hardware & Materials	$ 375,000	$ 450,000	$ 500,000
Rebate Processing and Inspection	$ 46,791	$ 48,195	$ 49,641
Marketing			
Program Specific Marketing	$ 1,155,588	$ 1,698,072	$ 2,017,343
Statewide Marketing			
Total Program Budget	**$ 5,308,050**	**$ 7,678,996**	**$ 9,114,191**

2. Projected Program Impacts -

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	2,734,192	-	-	3,934,342	-	-	4,740,588

Audit Element	2006	2007	2008	2006 -08 Total
On-site	2,800	3,200	3,500	9,500
On-line	350	400	450	1,200
Totals	3,150	3,600	3,950	10,700

3. Program Cost Effectiveness

Attached

4. Program Descriptors

Express Efficiency is an existing statewide rebate program targeting nonresidential customers to encourage adoption of selected energy-efficient technologies. SoCalGas' program focuses on replacing existing energy efficient natural gas equipment, and encouraging customers to move up to higher than standard efficiency models when purchasing additional equipment for their established business.

New components in the 2006-2008 program will expand the opportunity to obtain energy savings. SoCalGas will expand the outreach of this rebate program to remote rural small business communities by deploying a grass-roots outreach team who will offer on-site audits as well as assisting customers with rebate application process. An on-line energy audit tool, available through SoCalGas' website in multiple languages, offers 24/7

convenience to business customers. SoCalGas will incorporate a cross marketing approach with internal and external Green Building Initiatives.

5. Program Statement

Express Efficiency is an existing statewide rebate program targeting nonresidential customers. These commercial and industrial business owners are facing increasing energy costs and higher production demands. Business customers are not always aware of which product models are the most energy efficient or how choosing the higher efficient models can lower their energy bills. Many business owners are reluctant to move from the standard efficiency models to the higher efficiency models because of the increased incremental cost of the high efficiency models.

What's New for 2006-08?

Innovation

- On-bill financing for participants
- Bulk Purchasing component
- Building Owners' rebate.
- Rebates for residential equipment for business use
- Portfolio menu listing

Integration

- Auditing services to identify energy efficiency measures and programs
- Core and non-core customer eligibility
- Cross marketing approach with Green Building Initiative
- Business Service Guide for new business customers

Other Program Improvements

- Addition of tiered rebates
- Expand program outreach to remote rural small business with a grass-roots outreach team

6. Program Rationale

Express Efficiency is designed to encourage nonresidential customers to replace their inefficient equipment with high efficient models that exceed established efficiency standards, lowering their energy costs while increasing or at least stabilizing production with lower bills and less energy demands on the statewide natural gas supply. The program will integrate information and financial incentives to assist commercial and industrial customers adopt energy efficiency practices.

The customers are provided rebates to help offset the incremental cost increase of moving to higher efficient models when retrofitting current equipment, or purchasing additional equipment for long term production increases. The program design prescribes what measures may be installed in a very straightforward and customer-friendly design that helps ensure that all size customers have a hassle-free, reliable means to decrease their energy usage and make their business more energy efficient.

The latest energy efficiency potential studies indicate that there are substantial cost effective savings available within California. Past studies of Express Efficiency indicate a high customer satisfaction with the program and substantial energy savings from the installed measures. These two combine to show that the program provides an effective avenue to help meet the State's energy efficiency potential. The previously standalone "Statewide Non Residential Audit program" has been merged with this program to achieve closer coordination between audits results and rebate applications. The audits offer help for customers to assess energy efficiency opportunities and directly link them to energy efficiency rebate and incentive programs. The "Remote Small Business Outreach" component will expand the reach of this rebate program to very hard-to-reach rural small

business customers by offering immediate energy efficiency recommendations at the time of the audit.

Express Efficiency has had many successes over the years:

- The program has produced enormous energy savings at a reasonable cost per therm;
- The measures offered are always in evolution to ensure that the most energy efficient equipment is included in the program;
- The program has further evolved to welcome other entities into the program delivery. Outreach has and will be expanded to include coordination with community-based organizations (CBOs), and faith-based organizations (FBOs), trade associations, and other stakeholders.

The proof of the demand for and success of the Express Efficiency program is apparent. Other parties continue to emulate its design in their local programs. The Express Efficiency program will continue to coordinate efforts with other entities, while it guarantees that all customers, statewide, have equitable access to energy efficiency alternatives, regardless of their geographic location, business size or primary language.

Equity for smaller customers is also very important for the Express Efficiency program. The needs and desires of smaller customers influence the program design and the selection of measures. The prescriptive approach was selected because it considers the needs of smaller customers, by eliminating the barrier of product selection. All aspects of planning take into regard how best to serve all customers.

As successful as the program has been, SoCalGas is always looking to improve its energy efficiency programs based on the feedback and the results of previous years' efforts. Statewide energy potential forecasts indicate that a significant untapped savings potential still exists for this program to capture. Consequently, the Express Efficiency program has created two-tier pipe and tank insulation measures: 1" and 2" insulations. With the introduction of 1" insulation, customers whose pipes and tanks could not take advantage of 2" insulation offered in the 2004-2005 program due to space constrains can now insulate and save energy.

A $25,000 measure cap for Greenhouse Heat Curtains only was reinstated in 2005 by SoCalGas, and will continue in 2006-2008. This change allows more Greenhouse/Agricultural customers to participate in the program without depleting the Express Efficiency incentive budget, thereby allowing more businesses to participate in the program.

The program is popular with customers and vendors alike due to its familiar, user-friendly design, as well as the fact that it generates substantial cost-effective energy savings that result in lower energy bills. Over the years, participants have used the program to increase energy efficiency and reduce energy costs within their facilities. Vendors have also consistently used the program to sell energy efficient equipment. In many cases, the customer's assurance of receiving a rebate actually makes the sale, and the rebate frequently serves as the down payment on the energy-related project.

Innovation within Express Efficiency has taken many forms. It has included redesign of applications making them easier to complete, on-line availability of program updates and rebate forms, an e-mail newsletter for program information, inclusion of new state-of-the-art measures every year, energy seminars, CBO presentations, and the option to reserve funds. The program embraces change and is committed to meeting customers' needs. In 2006, Express Efficiency will actively recruit local communities to provide an innovative means of program delivery. For example, with SoCalGas assistance, CBOs will have the opportunity to provide input on local needs and market the program to their community through special events or tailored mail-outs.

The program design makes customer participation easy and hassle-free, because:

- The program lists specific energy saving measures, so the customer does not need to take time to search out energy efficient technologies;
- The program Terms and Conditions clearly state the eligible product specifications and rebate levels;
- The customer purchases the product from whomever they choose and have it installed at their account address;
- The customer simply sends in the rebate form along with the itemized paid invoice. Shortly thereafter, the customer receives a rebate check.

SoCalGas offers rebate measures that are organized into the following end uses.

- Space Heating
- Water Heating/Steam Generation
- Agricultural
- Pipe and Tank Insulation
- Residential Equipment used in Commercial business.

As new energy efficient measures are identified, measure costs change or marketing opportunities / failures are identified, the Statewide Express Efficiency Program Managers will make adjustments to the measures list or rebate amounts. This continuous updating will ensure that the program remains robust, opportunities to reach and exceed program goals are not missed, and customers benefit from a nimble program design. To stay abreast of new, yet proven technologies, and to better meet the needs of all nonresidential customers, Express Efficiency will continue to solicit information from industry experts, vendors and customers to provide input as to new innovative measures that might be added, or how the program could be improved.

7. Program Outcomes

The main objective of this program is to achieve cost effective therm savings, by encouraging commercial and industrial business owners to upgrade their current and future additional equipment to higher efficiency models thereby lowering their energy bills while reducing the demand for energy across the state. SoCalGas' therm goals are shown above in #2 - Projected Program Impacts.

8. Program Strategy

The Program will use multiple participation channels with minimum work required on the part of the customer to increase participation. New measures will be assessed and added if cost effective. Additionally, terms & conditions of the Program will be evaluated and changes made to open up areas that have the opportunity to create energy savings. The on-line energy audit tool, available through the SoCalGas' website in multiple languages, offers 24/7 convenience to all business customers. In addition, SoCalGas will significantly increase its offering of on-site audit services in 2006-2008. In many cases, this will lead to adoption of higher efficiency choices.

9. Program Objectives

The primary objective of the Express Efficiency program is to offer cost-offsetting rebates to help customers with the installation cost of the new energy efficient equipment, which ensures customers:

- Decrease their utility bills;
- Reduce statewide gas and electric demand; and
- Save energy.

The Express Efficiency program at SoCalGas includes an Energy Audit program element. Customers who have received an Energy Audit are referred to the Express Efficiency Program as appropriate to learn about and obtain applicable rebates. This referral will assist the customers in assessing opportunities to replace old equipment with high-efficient models. Express Efficiency customers, who have not recently participated in an audit, may elect to do so to discover additional benefits of the program that they may participate in. This process will make Energy Efficiency Programs more accessible to customers, more cost effective, and increase the awareness of energy efficiency benefits. The Express Program will also provide referrals to Emerging Tech Program for potential innovative and new gas technologies.

10. Program Implementation

This program provides prescriptive rebates to customers for selected energy-efficient natural gas technologies. New components in the 2006-2008 program including (1) residential equipment for commercial use; (2) additional new equipment installation that falls outside of the Savings By Design program; (3) Building Owner's Rebates which allows building owner to participate in the rebate program to overcome the landlord/tenant split incentive market barrier; (4) Bulk purchasing to encourage customers who procure equipment in large quantities to consider energy efficient options; (5) Onsite audits will be offered to new turn-on business customers in high potential energy savings market segments to help them best achieve energy efficiency of their new facilities; and (6) Collaborating with Southern California Edison to provide fuel neutral on-site audits for selected customers. The expanded audit information should help increase the customers overall energy efficiency and increase both utilities overall cost effectiveness

On-line energy audit software in multiple languages will be available through SoCalGas' website to provide business customers with ready access to a user-friendly tool to assess the energy usage of their facilities and receive instant recommendations on how to improve energy efficiency of their facilities. On-site audits will provide customers instant

recommendations to reduce energy usage with access to program knowledgeable representatives. Both types of audits provide customers a guide to energy efficient technology and are often requested by customers. SoCalGas' Express Efficiency Program and Business Energy Efficiency Program (BEEP) will be closely coordinated to ensure that audited customers who have implemented therm saving recommendations without design or financial assistance will be recognized for their efforts through SoCalGas' Recognition Program where the energy savings will be captured.

The rebate and information program processes are designed to be straightforward and customer-friendly to help ensure that all customers have a hassle-free, reliable means to make their business more energy efficient and increase their profitability and competitive edge through lowered operating costs.

The SoCalGas workforce is diligently pursuing key vendors, manufacturers, distributors and sales personnel to promote the program. SoCalGas is providing all necessary paperwork to streamline the application process and get the lead information from the vendors. In addition, our call center is capturing all potential DSM participants and channeling customers to a designated person/phone number. At SoCalGas, a reservation hotline has been implemented within the SoCalGas Call Center for Chinese, Korean, Spanish and Vietnamese speaking customers.

Coordination with other entities remains a commitment of the Express Efficiency program. All entities will be required to maximize their coordination efforts. By so doing, Express Efficiency program has ensured that all customers have equitable access to energy efficiency opportunities. Now, more than at any other time, close coordination and cooperation among all stakeholders is crucial to the success of achieving energy efficiency in California.

Third Party Bid Coordination

Express Efficiency will examine third party programs in the SoCalGas portfolio to determine any possible link to measures offered in the Express Efficiency program and will actively coordinate with third party programs which emphasize outreach to nonresidential customers through varying modes of delivery systems, assist with vendor coordination, or offer a unique deliver mechanism that may fit well into the overall Express Efficiency concept of innovative program delivery.

Vendor Coordination

Coordination with vendors, particularly local ones, has been a key driver in past program successes. The vendors bring eligible products directly to the customer and make energy efficient equipment purchases convenient. Vendors know and rely on Express Efficiency to educate and assist customers with the purchase of time-proven energy efficient products. Were it not for Express Efficiency program rebates, many customers would not upgrade their less efficient equipment. IOUs value the role of vendors and will continue to work with them to serve customers well. Seminars will be given to educate vendors on new measures related to their sales specialties and to help them increase their product lines to better meet the needs of business customers.

Local Government Coordination
SoCalGas has always felt that working with local government agencies is crucial to meeting the needs of each unique community. SoCalGas will continue to actively work with their respective local governments to explore opportunities to increase program outreach at the local level. The coordination between utilities and local governments' programs will increase each entity's program delivery cost-effectiveness and the programs' penetration while providing better focus on the individual needs, opportunities and overcoming the barriers that prevent participation within each community.

SoCalGas will continue to work with existing Energy Efficiency Community Collaborations, and proposed community energy programs throughout its service territory. These collaborations perform as an additional Express Efficiency delivery mechanism. Their outreach components will promote and utilize measures within the Express Efficiency framework to increase the energy efficiency of the businesses within the communities they serve. Currently, the following community energy programs contain outreach components; The Energy Coalition; South Bay Cities Energy Efficiency Center; Ventura Community Regional Energy Center; and Bakersfield/Kern County Energy Watch.

Local Program Entities Coordination
In addition, SoCalGas representatives will actively collaborate with local program entities, networks of community based organizations (CBOs), faith based organizations (FBOs), ethnic business organizations, chambers of commerce, and customer trade associations within their respective service areas to coordinate increased program outreach efforts at the local level. This cooperative effort will result in leveraging the individual strengths of each of the entities and build upon potential synergies to overcome barriers to participation, such as language and rural geography. This approach should increase the breadth and reach of the program, while increasing program delivery efficiencies.

To ensure that customers have access to all available programs, SoCalGas will continue to identify and work with all stakeholders. Opportunities with other stakeholders exist to jointly focus on sector marketing, coordinate information dissemination, and share one-on-one customer educational opportunities. Since SoCalGas has a global view of the energy efficiency market, it will continue to direct customers to the most beneficial and appropriate resources, including those programs run by other entities. This capability to deliver quality service is why customers trust their utility as their preferred energy efficiency programs provider.

Energy Audit Coordination
As an integral part of the implementation plan, the Express Efficiency program intends to coordinate its marketing effort with a long-standing customer favorite, the audit program. Although it is not mandatory that an audit be completed prior to an application for a rebate, the audit program will provide a roadmap to show customers how to participate in Express Efficiency. Customers trust SoCalGas' experience, and unbiased, in-depth knowledge of all facets of energy efficiency. Based upon the recommendations in the audit, customers will know what to install and have greater confidence in their choice to invest in Express Efficiency measures.

This natural, symbiotic relationship between the Energy Audit and Rebate programs will increase Express Efficiency participation and serve our customers' needs well. Additionally, an on-line energy audit tool, available through SoCalGas' website in multiple languages, offers 24/7 convenience to all business customers. SoCalGas will review audit delivery methods and adjust according to customer needs.

SoCalGas Employee Program Coordination and Promotion

Express Efficiency will coordinate its efforts with the utility Account Executives and Commercial and Industrial Service Technicians (C&I Service Techs). SoCalGas Account Executives usually have an engineering background and have been tasked to meet the needs of their assigned customers with a focus on promoting rebate programs and educate customers on energy efficiency matters. They know their customers and are well positioned to assist them to identify opportunities and overcome market barriers to achieving their full energy efficiency potential. The C&I Service Techs work closely with the customers, providing equipment service, adjustment, and safety inspections. The C&I Service Techs are fully trained in the Express Efficiency program and are alert for opportunities to assist customers in upgrading their energy inefficient equipment to high efficiency equipment through the Express Efficiency program.

SoCalGas will include a "Business Services Guide", along with other energy savings program information to new business customers as part of a "Welcome Package" concept.

Market Barriers

Express Efficiency is designed to overcome barriers that prevent customers, such as hard-to-reach customers from having equal access to energy efficiency alternatives. More specifically:

1. Lack of information about energy efficiency measures is mitigated by the prescriptive design of Express Efficiency. Customers and vendors are provided with specific measure descriptions to make product selection easier.
2. Energy efficiency products also become more available because vendors and manufacturers know exactly which products to stock by following the program's measure specifications.
3. Higher start up expense for high-efficiency measures is a major barrier for small and medium customers. Express Efficiency rebates help offset these costs.
4. *On-Bill Financing Option*: A customer eligible to participate in the Express Efficiency rebate program may also be eligible to take advantage of the on-bill financing option. Once qualified under the OBF Option (see OBF Program proposal for details), the participating customer would receive a reduced rebate and finance the balance of the cost of a qualified energy efficiency package through the utility. Monthly payment on a term loan would be billed as part of the participating customer's monthly utility bill.
5. The program is designed to overcome the "split incentives" barrier. Based upon the energy efficiency project agreement, either the customer or building owner can receive the rebate.
6. The "Remote Small Business Outreach" component is designed specifically to address hard-to-reach customers and their untapped energy savings potential

The SoCalGas representative's local community involvement approach will also ensure program equity in regard to program access and will help overcome market barriers such as language, geographic location, business size, and opportunity to invest in new energy efficient equipment. The Express Efficiency program will also provide training, educational materials and technical support targeted specifically to meet the needs of the hard-to-reach customer groups.

Capital constraint is another major market barrier to upgrades to high energy efficiency equipment among small business customers. A customer eligible to participate in the Express Efficiency rebate program may also be eligible to take advantage of the on-bill financing option. Once qualified under the OBF Option (see OBF Program proposal for details), the participating customer would receive a reduced rebate and finance the balance of the cost of a qualified energy efficiency package through the utility. Monthly payment on a term loan would be billed as part of the participating customer's monthly utility bill.

SoCalGas has found the lack of technology information to be a substantial market barrier. Fortunately, based upon years of energy efficiency experience, SoCalGas understands customers' needs in this area and will continue to reach out to them in a variety of ways to provide helpful technology information.

11. Customer Description

To ensure equitable access to energy efficiency opportunities, Express Efficiency targets all nonresidential customers of California's four IOUs.

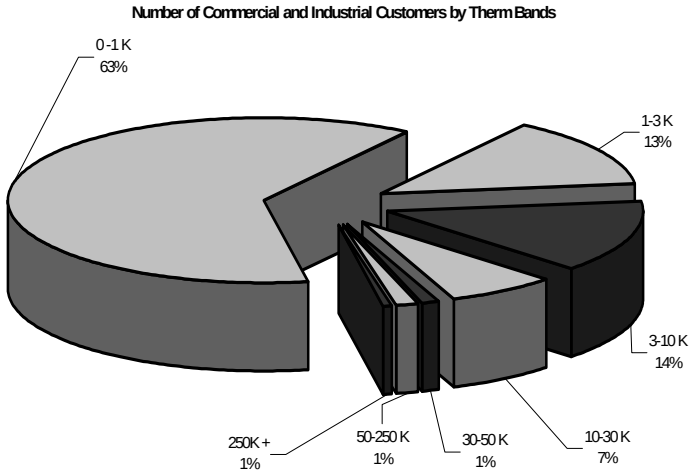
A significant number of program participants are hard to reach customers. This clearly validates the IOUs' successful efforts to identify and equitably serve this customer sector. Express will expand the outreach by means of geographically and rate targeted mailers, seminars and media announcements. The program will also coordinate its efforts with local governments, other program implementers and CBOs, FBOs, and through a grass roots outreach program

Eligible participants are all nonresidential gas customers.Customers that receive an incentive or rebate from another state or local public goods charge funded program are ineligible to receive an Express Efficiency rebate for the same measure(s).

SoCalGas Service Territory

SoCalGas service area encompasses 23,000 square miles of diverse terrain throughout most of Central and Southern California, from Visalia to the Mexican border. As the nation's largest natural gas distribution utility, it serves 19 million customers through 5.4 million gas meters in more than 530 communities.

SoCalGas Non-Residential Customer Segments by Therm Band



	0 -1K	1-3 K	3-10 K	10-30 K	30-50 K	50-250 K	250K+	Grand Total
Therms (000)	33,858	50,164	168,891	242,012	99,904	282,448	6,210,581	7,087,858
Meters	130,417	28,122	29,579	14,543	2,645	2,790	1,156	209,252

12. Customer Interface

The program will be presented to the customer through various outreach and marketing channels. The customer will be able to get program information and technical program assistance from SoCalGas employees who work directly with these targeted customers, as well as Community Based Organizations (CBOs). These employees include, but are not limited to Account Executives, C&I Service Techs, Public Affairs Managers, Energy

Program Advisors, and specially trained C&I Call Center Service Reps in SoCalGas' C&I call center (GAS-2000) and its Multi-Lingual Call center.

Multilingual Express Efficiency applications and marketing materials, technical resources in English, Spanish, Korean, Chinese and Vietnamese as appropriate to the IOU's customer make-up, will also be available to ensure that the program will meet the needs of a wide variety of SoCalGas' customers.

Direct mail pieces will target economic development areas, rural areas and those areas defined as transmission constrained.

Informational pieces will also be provided through multiple channels to inform small and medium customers as to the amount of rebate available for specific energy efficient equipment.

SoCalGas also works closely with manufacturers, vendors, distributors, and trade organizations to train them to assist their customers and constituents in program utilization and value. Many of these training sessions are coordinated through SoCalGas' Energy Resource Center in Downey, CA.

Customer Enrollment
A rebate form must be completed and returned to the customer's local utility, within the program timeline, in order to be eligible to receive a rebate. No other type of customer enrollment is required for this program. If, however, a customer wishes to reserve a rebate in advance of their equipment purchase, they may do so by calling the SoCalGas reservation phone number.

The representatives at the toll-free number are well versed in the Express Efficiency program and can assist customers through the process of completing the rebate form.

Materials
Customers are solely responsible for the selection, purchase, and ownership of qualifying equipment. Customers may choose to work with a vendor to purchase and install qualifying equipment. All equipment must be new. Used or rebuilt equipment are not eligible for this program.

Customers can install qualifying measures themselves or they can hire a vendor to do the installation. In some cases, however, measures will require installation by a licensed contractor. In all cases, the customer is responsible for complying with local codes, standards, regulations and permits. The equipment must be installed pursuant to the manufacturer's specifications.

Quality installation of materials and equipment is considered to be as critical to efficiency performance as the inherent efficiency of the device itself.

Payment of Incentives
Equipment must be purchased and installed prior to submitting a program rebate form. An acceptable proof-of-purchase in the form of an original or copy of a paid receipt, paid

vendor invoice, or equipment lease must be submitted with the completed rebate form. In addition to requesting a hard copy from the utility, customers have the option to download the appropriate Express Efficiency form from the SoCalGas' Web site. The completed rebate form and required attachments are then sent to the IOU. The rebate forms list all qualifying measures and the fixed rebate amount for each measure. Having this information available as part of the form, allows the customer to know the exact amount of their rebate payment prior to submitting the request.

Upon receipt, the rebate form is reviewed to make sure the form was completed correctly and that the submittal package includes all necessary documentation. The package must be complete before it is approved for payment. If the package is found to be incomplete, the processing center will contact the customer and make every effort to assist them in completing the paperwork. The intent is to ensure the customer has a positive experience, and will want to participate in future programs. A customer may authorize the rebate payment to be released to a vendor or other third party payee, enabling it to be used as their equipment down payment. The third party payee option often acts as a further incentive to purchase of the energy efficient equipment.

13. Energy Measures and Program Activities

13.1. Prescriptive Measures

See SoCalGas June 1, 2005 Filing Workbook

13.2. kWh Level Data –

See SoCalGas June 1, 2005 Filing Workbook

13.3. Non-energy Activities

13.4. Subcontractor Activities

Subcontractor activities are expected to include:

- Online Audit Software
- On-site Audit Software
- Subcontractor/

13.5. Quality Assurance and Evaluation Activities

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs.

13.5.1. Expected number/percent of inspections

The SoCalGas Account Executives and Service Technicians perform site inspections as part of their job responsibilities. In addition to site inspections by the SoCalGas AE's and Technicians, an inspector is expected to also inspect 5% of the applications to add additional independent verification.

13.6. Marketing Activities –

Persuading customers to invest in energy efficiency requires a multi-faceted and innovative marketing approach. This approach involves the use of a combination of mail-outs, personal, and CBO-coordinated efforts. The marketing plan's primary objective is to provide all customers with equitable access to the program. SoCalGas' approach will include, but not be limited to:

- Multilingual marketing materials and technical resources in English, Spanish, Korean, Chinese and Vietnamese as appropriate to the IOU's customer make-up.
- Direct mail pieces will target economic development areas, rural areas and those areas defined as transmission constrained;
- Informational pieces to inform small customers as to the amount of rebate available for specific energy efficient equipment.
- Face-to-face contacts with customers

One-to-one Contact	Promotional Vehicles	Delivery Vehicles	Tools
Site Visits	Trade/Association Journals	Bill inserts	Web site information
IOU Call Centers	Chamber Newsletters	Bill messages	Foodservice centers
Project Specialists	Organization Newsletters	Direct mail	Professional contacts
Customer Service Representatives	Local Newspapers	Conferences	CBOs
Account Executives	Multilingual applications/ brochures	Customized audits	FBOs
Phone Account Representatives	Special promotions	Vendor and trade allies	Business Improvement Districts, Economic Development groups
Customer-convenient Seminars	E-mail marketing	Website on-line forms	Chambers of Commerce
Commercial and Industrial Service Reps	Targeted telemarketing		Local Governments
	Contractors Mobile Business Energy Clinic	Printed applications	Trade organizations

SoCalGas may also assist local small businesses that sell energy efficient equipment to develop informational pieces for distribution to their own customers.

Other promotional strategies may include increased media coverage in minority focused publications, telemarketing, coordination with community events, FBOs and CBOs, and group workshops/seminars.

The SoCalGas Express Efficiency Web sites will provide supplemental information, including current updates of measure availability and printable forms. Forms that can be completed on-line and electronic databases of qualifying equipment are under development. Customers requiring in-depth information can also call the SoCalGas toll-free numbers to receive technical assistance, detailed program information and to make fund reservations.

Marketing Material 2006

Marketing Material	Method of Distribution
Program Applications	Direct Contact, Mail, Tradeshows, Chamber Events, Website
Program Summary Fact Sheet	Direct Contact, Mail, Tradeshows, Chamber Events,

Marketing Material	Method of Distribution
	Website
Vendor Guidelines/ Participation Agreement	Website
Advertisements	Business Journals, Newspapers
Customer Mailers	Direct Mail Pieces Announcing Program and/or Advertising Selected Measures
Trade Shows /Seminars	Community Based Organizations, Vendor Seminars
Electronic Mailers	E-mails & Website Advertising Program

14. Conclusion

The Express Efficiency Program encourages customers to undertake new and innovative energy efficiency projects that will result in cost effective, long term energy savings. The customers are provided rebates to help offset the incremental cost increase of moving to higher efficient models when retrofitting current equipment, or purchasing additional equipment for long term production increases. The program design prescribes what measures may be installed in a very straightforward and customer-friendly design that helps ensure that all size customers have a hassle-free, reliable means to decrease their gas usage and make their business more energy efficient.

	SCG3507 EXP4-Express Efficiency Rebate Program	
BUDGET		
Administrative Costs	**$**	**3,995,144**
Overhead and G&A	$	1,052,440
Other Administrative Costs	$	2,942,704
Marketing/Outreach	**$**	**4,871,004**
Direct Implementation	**$**	**13,235,090**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	9,232,920
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	2,532,543
Installation	$	-
Hardware & Materials	$	1,325,000
Rebate Processing & Inspection	$	144,627
EM&V Costs	**$**	-
Budget	**$**	**22,101,237**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**22,101,237**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		11,409,122
Lifecycle Net Therms		132,122,401
Cost Effectiveness		
TRC		
Costs	$	22,045,976
Electric Benefits	$	-
Gas Benefits	$	43,121,460
Net Benefits (NPV)	$	21,075,485
BC Ratio		1.96
PAC		
Costs	$	21,096,081
Electric Benefits	$	-
Gas Benefits	$	43,121,460
Net Benefits (NPV)	$	22,025,379
BC Ratio		2.04
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		74,341,529
Cost	$	0.2965
Benefits	$	0.5800
Benefit-Cost	$	0.2835
Levelized Cost PAC ($/therm)		
Discounted Therms		74,341,529
Cost	$	0.2838
Benefits	$	0.5800
Benefit-Cost	$	0.2963

SOCALGAS Express Efficiency Rebate Program

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 5,308,050	$ 2,028,500	$ 3,279,550	-	2,734,192	-
2007	$ 7,678,996	$ 3,296,120	$ 4,382,876	-	3,934,342	-
2008	$ 9,114,191	$ 3,908,300	$ 5,205,891	-	4,740,588	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	311001	CML H-axis Clothes Washer	-	46	-	0.96	Unit	10	100	$ 75.00	$ 581.00	-	-	4,378
2006	311002	Greenhouse Heat Curtain	-	0	-	0.96	Sq Ft	5	2,250,000	$ 0.20	$ 0.49	-	-	842,400
2006	311005	Storage Water Heaters (LRG >75 MBTUH)	-	2	-	0.96	MBtuh	15	50,000	$ 2.00	$ 6.78	-	-	84,144
2006	311006	Storage Water Heaters (SML <= 75 MBTUH)	-	1	-	0.96	MBtuh	15	-	$ 2.00	$ 2.69	-	-	-
2006	311007	Instantaneous Water Heaters (>= 200 MBTUH)	-	1	-	0.96	MBtuh	15	-	$ 2.00	$ (1.32)	-	-	-
2006	311008	Instantaneous Water Heaters (< 200 MBTUH)	-	1	-	0.96	MBtuh	15	90,000	$ 2.00	$ (7.77)	-	-	121,824
2006	311009	Programmable Thermostat	327	1,095	-	0.96	Unit	11	-	$ 54.00	$ 58.00	-	-	-
2006	311010	Infrared Film for Greenhouses	-	0	-	0.96	Sq Ft	4	1,200,000	$ 0.03	$ 0.03	-	-	65,664
2006	311011	Low-Flow Pre-Rinse Spray Valve	-	570	-	0.96	Unit	5	-	$ 30.00	$ 60.00	-	-	-
2006	311012	Space Heating Boiler - Steam	-	1	-	0.96	MBtuh	20	120,000	$ 1.00	$ 2.24	-	-	73,895
2006	311013	Space Heating Boilers - Small Water	-	1	-	0.96	MBtuh	20	-	$ 1.00	$ 2.24	-	-	-
2006	311014	Space Heating Boilers - Large Water	-	1	-	0.96	MBtuh	20	-	$ 1.00	$ 2.24	-	-	-
2006	311015	Commercial Boiler (Non-Space Heat, Non-Process)	-	3	-	0.96	MBtuh	20	110,000	$ 1.50	$ 1.71	-	-	317,774
2006	311016	Process Boiler - Steam	0	2.287099903	0	0.96	MBtuh	20	80000	$ 3.00	$ 2.17	-	-	175,649
2006	311017	Water Heating -Commercial Pool Heater	0	2.41	0	0.96	Mbtuh	5	275000	$ 2.00	$ 2.00	-	-	636,240
2006	311018	Process Boiler - Water	0	2.287099903	0	0.96	MBtuh	20	0	$ 3.00	$ 2.17	-	-	-
2006	311019	Direct Contact Water Heater		2.29		0.96	MBtuh	20	0	$ 2.00	$ 2.17	-	-	-
2006	311020	Programmable Thermostat - Hotel Room	0	13.8	0	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2006	311021	Programmable Thermostat - Classroom	0	231	0	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2006	311022	Tank Insulation - Low Temperature Applic. (LF) 2 in		3.7		0.96	SquareFT	20	5000	$ 3.00	$ 3.41	-	-	17,760
2006	311023	Tank Insulation - High Temperature Applic. (LF) 2 in		10.4		0.96	SquareFT	20	2000	$ 4.00	$ 3.41	-	-	19,968
2006	311024	Pipe Insulation - Hot Water Applic. (sq ft) 2 in		2.9		0.96	LinearFt	20	8000	$ 3.00	$ 9.22	-	-	22,272
2006	311025	Pipe Insulation - Low Pressure Steam Applic. (LF) 2 in		14.3		0.96	LinearFT	20	6000	$ 4.00	$ 9.22	-	-	82,368
2006	311026	Tank Insulation - Low Temperature Applic. (LF) 1 in		3.4		0.96	SquareFT	20	10000	$ 2.00	$ 2.58	-	-	32,640
2006	311027	Tank Insulation - High Temperature Applic. (LF) 1 in		9.7		0.96	SquareFT	20	3000	$ 3.00	$ 2.58	-	-	27,936
2006	311028	Pipe Insulation - Hot Water Applic. (sq ft) 1 in		2.6		0.96	LinearFt	20	22000	$ 2.00	$ 5.67	-	-	54,912
2006	311029	Pipe Insulation - Low Pressure Steam Applic. (LF) 1 in		13.4		0.96	LinearFt	20	12000	$ 3.00	$ 5.67	-	-	154,368
2007	311001	CML H-axis Clothes Washer	0	45.6	0	0.96	Unit	10	150	$ 75.00	$ 581.00	-	-	6,566
2007	311002	Greenhouse Heat Curtain	0	0.39	0	0.96	Sq Ft	5	3000000	$ 0.20	$ 0.49	-	-	1,123,200
2007	311005	Storage Water Heaters (LRG >75 MBTUH)	0	1.753	0	0.96	MBtuh	15	67500	$ 2.00	$ 6.78	-	-	113,594
2007	311006	Storage Water Heaters (SML <= 75 MBTUH)	-	$ 0.66	$ -	0.96	MBtuh	15	200	$ 2.00	$ 2.69	-	-	127
2007	311007	Instantaneous Water Heaters (>= 200 MBTUH)	-	$ 1.41	$ -	0.96	MBtuh	15	0	$ 2.00	$ (1.32)	-	-	-
2007	311008	Instantaneous Water Heaters (< 200 MBTUH)	-	$ 1.41	$ -	0.96	MBtuh	15	121500	$ 2.00	$ (7.77)	-	-	164,462
2007	311009	Programmable Thermostat	327	$ 1,095.00	$ -	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2007	311010	Infrared Film for Greenhouses	-	$ 0.06	$ -	0.96	Sq Ft	4	1400000	$ 0.03	$ 0.03	-	-	76,608
2007	311011	Low-Flow Pre-Rinse Spray Valve	-	$ 570.00	$ -	0.96	Unit	5	0	$ 30.00	$ 60.00	-	-	-
2007	311012	Space Heating Boiler - Steam	-	$ 0.64	$ -	0.96	MBtuh	20	165000	$ 1.00	$ 2.24	-	-	101,606
2007	311013	Space Heating Boilers - Small Water	-	$ 0.64	$ -	0.96	MBtuh	20	100000	$ 1.00	$ 2.24	-	-	61,579
2007	311014	Space Heating Boilers - Large Water	-	$ 0.64	$ -	0.96	MBtuh	20	100000	$ 1.00	$ 2.24	-	-	61,579
2007	311015	Commercial Boiler (Non-Space Heat, Non-Process)	-	$ 3.01	$ -	0.96	MBtuh	20	148500	$ 1.50	$ 1.71	-	-	428,995
2007	311016	Process Boiler - Steam	-	$ 2.29	$ -	0.96	MBtuh	20	120000	$ 3.00	$ 2.17	-	-	263,474
2007	311017	Water Heating -Commercial Pool Heater	-	$ 2.41	$ -	0.96	Mbtuh	5	325000	$ 2.00	$ 2.00	-	-	751,920
2007	311018	Process Boiler - Water	-	$ 2.29	$ -	0.96	MBtuh	20	151000	$ 3.00	$ 2.17	-	-	331,538
2007	311019	Direct Contact Water Heater		$ 2.29		0.96	MBtuh	20	0	$ 2.00	$ 2.17	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	311020	Programmable Thermostat - Hotel Room	-	$ 13.80	$ -	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2007	311021	Programmable Thermostat - Classroom	-	$ 231.00	$ -	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2007	311022	Tank Insulation - Low Temperature Applic. (LF) 2 in		$ 3.70		0.96	SquareFT	20	6750	$ 3.00	$ 3.41	-	-	23,976
2007	311023	Tank Insulation - High Temperature Applic. (LF) 2 in		$ 10.40		0.96	SquareFT	20	2700	$ 4.00	$ 3.41	-	-	26,957
2007	311024	Pipe Insulation - Hot Water Applic. (sq ft) 2 in		$ 2.90		0.96	LinearFt	20	9000	$ 3.00	$ 9.22	-	-	25,056
2007	311025	Pipe Insulation - Low Pressure Steam Applic. (LF) 2 in		$ 14.30		0.96	LinearFT	20	8100	$ 4.00	$ 9.22	-	-	111,197
2007	311026	Tank Insulation - Low Temperature Applic. (LF) 1 in		$ 3.40		0.96	SquareFT	20	13500	$ 2.00	$ 2.58	-	-	44,064
2007	311027	Tank Insulation - High Temperature Applic. (LF) 1 in		$ 9.70		0.96	SquareFT	20	4050	$ 3.00	$ 2.58	-	-	37,714
2007	311028	Pipe Insulation - Hot Water Applic. (sq ft) 1 in		$ 2.60		0.96	LinearFt	20	29700	$ 2.00	$ 5.67	-	-	74,131
2007	311029	Pipe Insulation - Low Pressure Steam Applic. (LF) 1 in		$ 13.40		0.96	LinearFt	20	8240	$ 3.00	$ 5.67	-	-	105,999
2008	311001	CML H-axis Clothes Washer	-	$ 45.60	$ -	0.96	Unit	10	200	$ 75.00	$ 581.00	-	-	8,755
2008	311002	Greenhouse Heat Curtain	-	$ 0.39	$ -	0.96	Sq Ft	5	3100000	$ 0.20	$ 0.49	-	-	1,160,640
2008	311005	Storage Water Heaters (LRG >75 MBTUH)	-	$ 1.75	$ -	0.96	MBtuh	15	70000	$ 2.00	$ 6.78	-	-	117,802
2008	311006	Storage Water Heaters (SML <= 75 MBTUH)	-	$ 0.66	$ -	0.96	MBtuh	15	200	$ 2.00	$ 2.69	-	-	127
2008	311007	Instantaneous Water Heaters (>= 200 MBTUH)	-	$ 1.41	$ -	0.96	MBtuh	15	0	$ 2.00	$ (1.32)	-	-	-
2008	311008	Instantaneous Water Heaters (< 200 MBTUH)	-	$ 1.41	$ -	0.96	MBtuh	15	120000	$ 2.00	$ (7.77)	-	-	162,432
2008	311009	Programmable Thermostat	327	$ 1,095.00	$ -	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2008	311010	Infrared Film for Greenhouses	-	$ 0.06	$ -	0.96	Sq Ft	4	1400000	$ 0.03	$ 0.03	-	-	76,608
2008	311011	Low-Flow Pre-Rinse Spray Valve	-	$ 570.00	$ -	0.96	Unit	5	0	$ 30.00	$ 60.00	-	-	-
2008	311012	Space Heating Boiler - Steam	-	$ 0.64	$ -	0.96	MBtuh	20	160000	$ 1.00	$ 2.24	-	-	98,527
2008	311013	Space Heating Boilers - Small Water	-	$ 0.64	$ -	0.96	MBtuh	20	50000	$ 1.00	$ 2.24	-	-	30,790
2008	311014	Space Heating Boilers - Large Water	-	$ 0.64	$ -	0.96	MBtuh	20	50000	$ 1.00	$ 2.24	-	-	30,790
2008	311015	Commercial Boiler (Non-Space Heat, Non-Process)	-	$ 3.01	$ -	0.96	MBtuh	20	150000	$ 1.50	$ 1.71	-	-	433,328
2008	311016	Process Boiler - Steam	-	$ 2.29	$ -	0.96	MBtuh	20	125000	$ 3.00	$ 2.17	-	-	274,452
2008	311017	Water Heating -Commercial Pool Heater	-	$ 2.41	$ -	0.96	Mbtuh	5	600000	$ 2.00	$ 2.00	-	-	1,388,160
2008	311018	Process Boiler - Water	-	$ 2.29	$ -	0.96	MBtuh	20	175000	$ 3.00	$ 2.17	-	-	384,233
2008	311019	Direct Contact Water Heater		$ 2.29		0.96	MBtuh	20	0	$ 2.00	$ 2.17	-	-	-
2008	311020	Programmable Thermostat - Hotel Room	-	$ 13.80	$ -	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2008	311021	Programmable Thermostat - Classroom	-	$ 231.00	$ -	0.96	Unit	11	0	$ 54.00	$ 58.00	-	-	-
2008	311022	Tank Insulation - Low Temperature Applic. (LF) 2 in		$ 3.70		0.96	SquareFT	20	8100	$ 3.00	$ 3.41	-	-	28,771
2008	311023	Tank Insulation - High Temperature Applic. (LF) 2 in		$ 10.40		0.96	SquareFT	20	5500	$ 4.00	$ 3.41	-	-	54,912
2008	311024	Pipe Insulation - Hot Water Applic. (sq ft) 2 in		$ 2.90		0.96	LinearFt	20	10000	$ 3.00	$ 9.22	-	-	27,840
2008	311025	Pipe Insulation - Low Pressure Steam Applic. (LF) 2 in		$ 14.30		0.96	LinearFT	20	9500	$ 4.00	$ 9.22	-	-	130,416
2008	311026	Tank Insulation - Low Temperature Applic. (LF) 1 in		$ 3.40		0.96	SquareFT	20	15000	$ 2.00	$ 2.58	-	-	48,960
2008	311027	Tank Insulation - High Temperature Applic. (LF) 1 in		$ 9.70		0.96	SquareFT	20	7200	$ 3.00	$ 2.58	-	-	67,046
2008	311028	Pipe Insulation - Hot Water Applic. (sq ft) 1 in		$ 2.60		0.96	LinearFt	20	35000	$ 2.00	$ 5.67	-	-	87,360
2008	311029	Pipe Insulation - Low Pressure Steam Applic. (LF) 1 in		$ 13.40		0.96	LinearFt	20	10000	$ 3.00	$ 5.67	-	-	128,640

2006-2008 Energy Efficiency Concept Paper
Local Business Energy Efficiency Program (BEEP)

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 666,668	$ 920,897	$ 1,007,273
Overhead	$ 292,251	$ 444,005	$ 542,170
Direct Implementation			
Financial Incentives	$ 3,251,424	$ 4,956,264	$ 6,268,312
Activity	$ 1,665,392	$ 2,223,054	$ 2,563,604
Installation	$ -	$ -	$ -
Hardware & Materials	$ 47,500	$ 160,000	$ 161,535
Rebate Processing and Inspection	$ -	$ -	$ -
Marketing			
Program Specific Marketing	$ 214,029	$ 619,889	$ 842,673
Statewide Marketing			
Total Program Budget	**$ 6,137,264**	**$ 9,324,108**	**$ 11,385,568**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	4,339,845	-	-	6,234,811	-	-	7,506,342

3. Program Cost Effectiveness

Attached

4. Program Descriptors

Southern California Gas Company's (SoCalGas) Local Business Energy Efficiency Program (BEEP) targets all nonresidential customers, including commercial, industrial and agricultural customers.

This program consists of five program elements:

- **Prescriptive "Efficient Equipment Rebates".**
  - Most of the eligible equipment will be a "kind-for-kind" replacement, but may also include new construction that falls outside the scope of the Savings By Design program.
- **"Process Equipment Replacement" Incentives**
  - Will provide incentives for installation of new high efficiency commercial or industrial end-use gas-fired technology.
- **"Custom Process Improvement" Incentives**
  - Will provide qualified customers with a financial incentive to implement comprehensive energy efficient processes.
- **The "Grant Program"**
  - Will encourage large nonresidential customers to develop and submit innovative and varied strategies to reduce therm usage at their facilities.
- **The "Recognition Program"**

- Will provide a non-monetary recognition award to nonresidential customers who increase their natural gas efficiency based on energy audit recommendations or knowledge gained through energy efficiency seminars and consultations.

The Business Energy Efficiency Program has been designed with multiple program elements to enable the creation of customized energy efficiency solutions for a wide range of customers. Combining the five elements into one program also minimizes administrative costs and increases cross element coordination since the same implementation staff delivers the individual elements of this program.

5. Program Statement

Efficient Equipment Rebate: Customers within the commercial food service industry work with tight profit margins and will often cut costs by purchasing inefficient used equipment. These customers are often responsible for all aspects of their day-to-day operations with little time and patience to participate in financial assistance programs that are cumbersome and difficult to navigate.

Process Equipment Replacement and Customer Process Improvement: Many small- to medium-sized customers do not have energy efficiency managers and become so involved in their operation they have little time to evaluate and identify energy efficiency measures. More often than not, measures are identified due to equipment failure.

Energy Efficiency Grant: Very large natural gas customers, such as refineries and industrial giants, will likely be unmotivated by the financial support available through SoCalGas' Process Equipment Replacement and Customer Process Improvement program elements when compared to the capital intensive improvements made at such facilities.

What's new for 2006-08?

- **Innovation**
  - On-bill financing for participants
  - Building Owners' rebate.
  - Bulk Purchasing component.
  - Grant program for large customers
  - Recognition of customers' energy efficiency actions
- **Integration**
  - Business Service Guide for new business customers
  - Core and non-core customer eligibility
  - On-site auditing services to identify energy efficient measures and incentives.
- **Other Program Improvements**
  - Expand program outreach to remote rural small business with a grass-roots outreach team

Equipment Replacement and Efficient Improvement Recognitions: Some customers are more likely to be motivated to take energy efficiency actions through public recognitions than traditional incentives offered by the utility due to a variety of reasons (e.g. sense of fulfillment from being recognized as community leaders is highly motivating).

6. Program Rationale

This Program's approach has seen high customer participation due to SoCalGas' flexibility in customizing appropriate energy efficiency solutions for the various participants through multiple program elements. Customers can participate across a multitude of element combinations without having to involve themselves in other programs, saving time and

alleviating the need for additional paperwork and measurements. Due to the combination of elements within this program, SoCalGas is able to address many energy efficiency needs a customer may have at one time. In this way, SoCalGas plans to mitigate lost efficiency measure opportunities.

Efficient Equipment Rebate: The tried-and-true Efficient Equipment Rebate measure offers simple and easy-to-understand rebate tables, ease of completion, and immediate capital savings on new efficient equipment, all of which foster rebate participation, especially for small hard-to-reach customers who are typically short on both time and capital. Customers have the option of downloading the appropriate Efficient Equipment Rebate application from the SoCalGas web site. The rebate applications will be offered in multiple languages to target hard-to-reach customers.

Process Equipment Replacement and Customer Process Improvement: The historic success of Process Equipment Replacement and Customer Process Improvement measures are due to the customized education of the customer regarding energy efficiency pertaining to their specific industry by SoCalGas representatives. Alongside the customer, the SoCalGas representative identifies the right measure match for the customer's needs and operations. By having representative involvement, the customer is able to improve efficiencies prior to equipment failure.

Energy Efficiency Grant: The new Energy Efficiency Grant Program is designed to encourage the very large nonresidential customers to develop and submit innovative and varied strategies to reduce therm usage at their facilities. The program provides financial incentives for qualifying projects with new, high-efficiency equipment and/or systems. A measurement and validation approach is used to determine the energy savings and applicable incentive. The program requires a minimum of 250,000 therms savings and a cap of $300,000 per project. This higher incentive cap and minimum savings floor, compared to other incentive elements, encourage large nonresidential customers to participate.

Equipment Replacement and Efficiency Improvement Recognitions: Some customers will not likely be motivated to take energy efficiency actions by traditional financial incentives offered through traditional rebate/incentive programs, leaving a gap between these financial incentive programs and customers uninterested in financial incentives. The new innovative Recognition Program proposes to bridge this gap by providing non-monetary incentives. The program will offer non-monetary assistance through various means including, but not limited to: consultations, seminars, and on-site audits. This will provide customers with the information needed to identify and complete energy efficiency upgrades. Furthermore, to recognize and further motivate these customers to continually take energy efficiency actions, this program will provide promotional advertisements, plaques, or publicized recognition events for these customers.

Offered in concert under the Business Energy Efficiency Program, these five program elements provide a cost-effective system that is easy to use and offers a large number of measure combination possibilities that provides comprehensive assistance to a vast span of SoCalGas' customers' energy efficiency needs.

7. Program Outcomes

The main objective of this program is to achieve cost effective therm savings and sustainable growth through participant buy-in. Through successful participation in each element, the customer is educated and rewarded for completing an energy efficiency measure. If a measure is not completed, the customer still remains educated regarding either the utility's programs, energy efficiency measures applicable to their process, or both.

The education and participation, either alone or in tandem, creates a group of individuals aware of energy efficiency. By maintaining contact with these individuals through various communication channels, the program will grow an energy –efficiency aware population that will carry these concerns with them as they progress within their respective organizations. An important outcome of this program is to create, for those companies who participated in the program, company-wide awareness of energy efficiency so that energy efficiency actions will be considered continuously or at least when any major capital improvement is planned.

As this population grows, so does the program's cost effectiveness. This is achieved through the energy efficiency aware population's ability to continually identify and adapt energy efficiency measures alongside the utility's efforts to assist them.

By design, the program further supports sustainable growth of customer participation and increases cost effective therm savings by encouraging customers to take advantage of multiple program elements. For example, a customer may choose to upgrade kitchen cooking equipment through the Efficient Equipment Rebate; replace major industrial equipment through the Process Equipment Replacement or Grant elements; and establish proper maintenance procedures to keep equipment operating at optimum efficiency through the Recognition elements.

8. Program Strategy

The BEEP program provides equipment rebates, incentives, and/or recognition that match the customer's needs and operations. Close coordination with other program managers will ensure no project overlaps. Participants are guided into the program through multiple channels such as audits, energy efficiency training and education seminars, the commercial support center, Account Executives, and commercial/industrial service technicians. New measures will be assessed and added if cost effective. Additionally, terms & conditions of the Program will be evaluated and changes made to open up areas that have the opportunity to create energy savings.

The Efficient Equipment Rebate element offers rebates on food service and commercial/industrial equipment. In order to qualify for a rebate, customers must purchase and install their qualifying equipment before they submit their rebate applications. Equipment must meet technical requirements specified on the rebate form and must be installed according to local building codes and ordinances and/or manufacturer's requirements. Maximum incentive available is $25,000 per program, per account, per year. This element provides streamlined rebates to those customers who install one or more energy efficiency products from a prescribed list ranging from high efficiency fryers to

steam traps. SoCalGas will continue adding new measures to this rebate program throughout the 2006-2008 program cycle.

A customer eligible to participate in this rebate program may also be eligible to take advantage of the on-bill financing (OBF) option. Once qualified under the OBF Option (see OBF Program proposal for details), the participating customer would receive a reduced rebate and finance the balance of the cost of a qualified energy efficiency package through the utility. Monthly payment on a term loan would be billed as part of the participating customer's monthly utility bill.

Process Equipment Replacement and Customer Process Improvement elements give the customer a wide range of custom efficiency measures designed to reduce energy consumption. Efficiency measures may include but are not limited to replacement or improvements to:

Measure Type	
Furnace Replacement	Misc. Process Equip. Replacement
Kiln Replacement	Equip. Modernization and Conservation
Oven Replacement	Engine Rebuild/Replacement
Heat Recovery	Pump Rebuild/Replacement

In order to qualify for these incentives, customers are required to contact SoCalGas or their Account Executive prior to purchasing and installing their qualifying gas equipment. Incentives for new equipment, refurbishment or modernization of a gas related process is up to 30% of equipment cost or $0.75 per therm saved, whichever is lower. The maximum incentive available is $25,000 per program, per account, per year.

The Energy Efficiency Grant Program provides financial incentives for qualifying projects with new, high-efficiency equipment and/or systems. A measurement and validation approach is used to determine the energy savings and applicable incentive. Applicants are eligible to receive 50 percent of the equipment cost or $0.50 per therm saved, whichever is lower with a maximum of $300,000 per customer. Projects must save a minimum of 250,000 therms from their Southern California Gas Company gas usage. There are no pre-determined measures for the Grant Program. The program is designed to encourage the very largest nonresidential customers to develop and submit innovative and varied strategies to reduce therm usage. They will be provided financial incentives based on therm savings of implemented projects. It is expected that the type of applications to be received by the Grant program will likely involve equipment and measures similar to those included in the Process Equipment Replacement element and the Custom Process Improvement element.

The Recognition Programs have been developed to recognize SoCalGas' business customers who implement SoCalGas suggested energy efficiency measures not captured within the utility's rebate/financial incentive programs. They will be provided non-financial incentives, such as promotional advertisements, plaques, or publicized recognition events for these customers, based on therm savings of implemented projects. There are no pre-determined measures for the Process Improvement Recognition Program. It is expected that the type of projects to be recognized by this program will likely involve equipment and

measures similar to those included in the Process Equipment Replacement program element and the Custom Process Improvement program element. SoCalGas' Business Energy Efficiency Program (BEEP) and Express Efficiency Program will be closely coordinated to ensure that audited customers who have implemented therm saving recommendations without design or financial assistance, will be recognized for their efforts through SoCalGas' Recognition Program where the energy savings will be captured.

9. Program Objectives

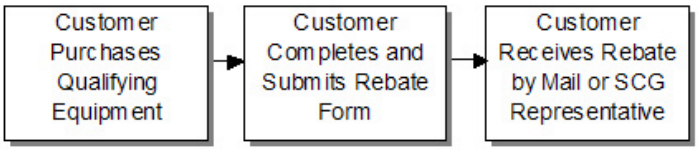
The program's objective is to encourage and facilitate therm savings and create sustainable energy efficiency growth by facilitating repeated customer involvement through tools that are designed to encourage customer engagement. Examples of these tools include: audits, energy efficiency training and education seminars, the commercial support center, Account Executives, and commercial/industrial service technicians. By offering these tools through BEEP, SoCalGas is better able to customize a set of energy efficiency solutions for participants.

The Business Energy Efficiency Program includes an Energy Audit program element that will refer participating customers to various SoCalGas energy efficiency programs. This referral will assist the customers in assessing opportunities to replace old inefficient equipment with new high-efficient equipment. The Business Energy Efficiency Program will also provide referrals to the Emerging Tech Program for potential innovative and new gas technology measures as well as other customer support programs.

BEEP aims to be flexible through its ability to educate and customize appropriate energy efficiency solutions for customers through multiple program elements. The education of these customers will create an energy efficiency aware population that will carry these concerns with them as they progress within their respective organizations. The program is also designed to offer a robust combination of elements. The five main elements provide a comprehensive program offering energy efficiency solutions to all classes of nonresidential customers: from schools and small business to government and large industrial customers.

10. Program Implementation

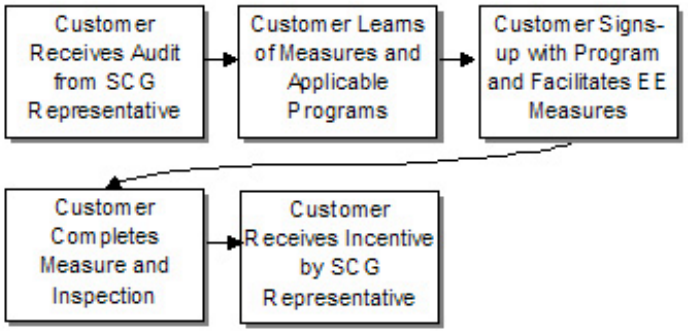
In the Efficient Equipment Rebate element, the customer is directed to purchase qualifying equipment, complete and submit the rebate application along with required documentation including, but not limited to, invoices and specification sheets. Once the application is processed by SoCalGas, the customer receives the rebate.



This is an element that has been offered in the past and is expected to continue to begin at 2005 levels of participation. SoCalGas will expand the outreach of this rebate program element to remote rural small business communities by deploying a grass-roots outreach team who will offer on-site audits as well as assisting customers with rebate application process. SoCalGas is continually working to identify and add measures to this element (e.g. Steam Traps). As the rebate element is expanded and as the marketing effort

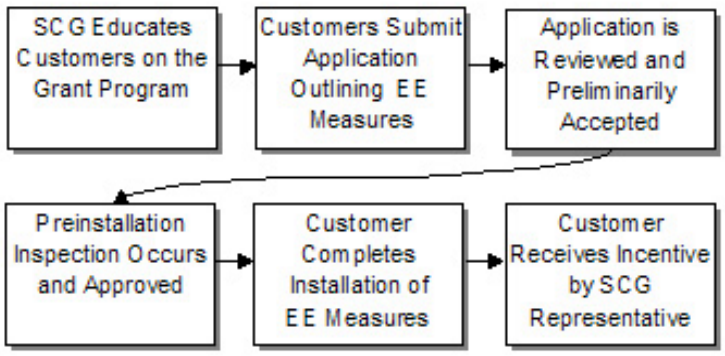
continues throughout the three-year program cycle, it is forecasted that participation and energy savings will increase.

The Process Equipment Replacement and Custom Process Improvement elements are designed to incent customers to more efficient equipments and processes. Prior to the customer purchasing equipment, the SoCalGas Company representative contacts the customer to educate them on the program, discuss applicable energy efficiency measures and to ascertain the correct program elements. Once the appropriate measures are determined, the SoCalGas Company representative identifies the energy savings and incentive amount through custom engineering calculations. If the customer agrees to the program's terms and conditions and the financial incentives, they may proceed with completing the energy efficiency measure by purchasing the measure-required equipment and services. Once the measure is completed within the prescribed time frame, the customer submits the final paid invoice to the SoCalGas Company representative who then visually verifies the completion and creates an incentive request. The customer then receives the incentive.

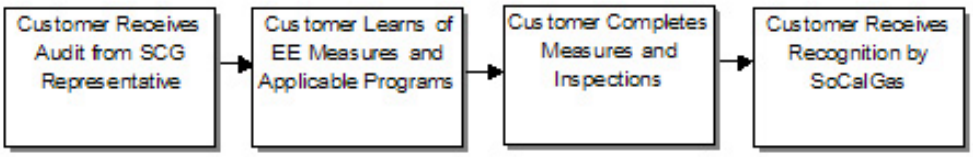


The Process Equipment Replacement and Custom Process Improvement elements are continually evolving to meet customer process advancement needs. These elements have also been offered in the past with increasing success that was primarily due to the elements' abilities to adapt and through continuing creation of an energy efficiency aware customer populace.

The **Energy Efficiency Grant program** (EEGP) is a new program element offering for the 2006-2008 program cycle. Due to the large nature of the projects expected to participate in this program, a long program cycle is necessary for this program. Educating our customers is essential to the program's success. This will begin through various channels during the fourth quarter of 2005. Once the program is launched, Customers may submit an EEGP application to SoCalGas. The application describes the Project, lists measurable savings, and states the incentive amount requested. SoCalGas reviews the application and provides a non-binding preliminary approval to qualifying applications. Contractual approval will be developed after SoCalGas conducts a pre-installation site(s) inspection. Once the site(s) pass the pre-installation inspection the proposal can be approved. Incentive funding for the Project is reserved and the Customer and SoCalGas enter into an EEGP Agreement that defines the energy savings and maximum incentive payment amount. Once both parties sign the agreement and any needed baseline measurements are completed, installation may begin. Program payments are provided based on proved energy saving as measured by the projects' approved M&V plan.



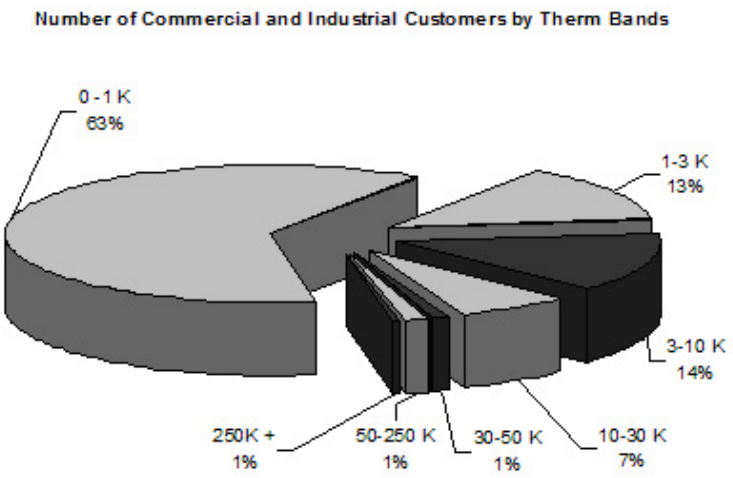
The **Recognition Program** elements are also new offerings for the 2006-2008 program cycle. Educating our customers is essential to the program's success. This will begin through various channels during the fourth quarter of 2005. SoCalGas will educate customers through consultations, seminars, and on-site audits. These methods will provide customers with the information needed to identify and complete energy efficiency measures. Once the appropriate measures are determined, a SoCalGas Company representative identifies the energy savings through custom engineering calculations. After the measure is completed, the Company representative visually verifies the completion and creates recognition request.



Recognition typically takes the form of promotional advertisements, plaques, or publicized recognition events for these customers. The Recognition elements are expected to ramp up moderately within the first year with increasing participation in successive years.

11. Customer Description

BEEP is a local program available to customers within SoCalGas' service areas which encompasses 23,000 square miles of diverse terrain throughout most of Central and Southern California, from Visalia to the Mexican border. The local BEEP program targets all nonresidential customers including commercial, industrial and agricultural customers. The following chart shows customer breakdown by number of meters and therms:



	0 -1K	1-3 K	3-10 K	10-30 K	30-50 K	50-250 K	250K+	Grand Total
Therms (000)	33,858	50,164	168,891	242,012	99,904	282,448	6,210,581	7,087,858
Meters	130,417	28,122	29,579	14,543	2,645	2,790	1,156	209,252

The program elements have been designed to address differences in customer segments and to offer the most opportunities for cost effective energy savings. While not explicitly excluding customers from any of the individual elements within the BEEP program, SoCalGas expects to see the following customer participation:

Efficient Equipment Rebate	
Typical customer size:	1,000 – 100,000 Therms per year
Typical industries:	Schools Hotels Food service Non-Profits Organizations
Process Equipment Replacement and Custom Process Improvement	
Typical customer size:	40,000 – 500,000 Therms per year
Typical industries:	Food Processing Commercial Services Small- and Medium-Sized Manufacturing
Grant Program	
Typical customer size:	>1,000,000 Therms per year
Typical industries:	Agriculture Large Manufacturing Large Food Processing
Recognition Program	

Typical customer size:	All Sizes
Typical industries:	All Eligible Nonresidential Customers

12. Customer Interface

The program will be presented to the customer through various outreach and marketing channels. Direct promotion by SoCalGas representatives is the most effective means of promoting the five BEEP program elements. SoCalGas will provide BEEP program materials and handout packets at all customer presentations, and continue to work with small-, medium- and large-sized nonresidential customers to guide them to the specific element within the BEEP program that is most appropriate for their needs based upon their operations and desired outcomes.

The BEEP program will also be marketed through direct promotion by interested third parties such as vendors; manufacturers; cities, state and federal agencies; community-based organizations and other entities. SoCalGas may also advertise the program in regional nonresidential trade and business journals, multilingual brochures, and group workshops/seminars, technology profiles and the SoCalGas Company website.

Direct mail pieces will be targeted to economic development areas, rural areas and other hard-to-reach business customers. Informational pieces will educate customers as to the amount of the rebate, financial incentive, or non-financial incentive available for specific efficiency measures and how to qualify and calculate the financial incentive. SoCalGas may also assist businesses groups in developing and tailoring energy efficiency information to disseminate to their own constituents and stakeholders.

SoCalGas will continue to work with third parties and local vendors to help promote high-efficiency equipment replacement, retrofit and modernization. Throughout the years, both proved instrumental in identifying potential customers and leveraging BEEP rebates or incentives to capture those opportunities.

SoCalGas' Energy Efficiency website will provide supplemental information, including current updates as to available funding levels for the local BEEP program: http://www.socalgas.com/business/. Customers requiring in-depth information can call toll-free to 1-800-GAS-2000, for assistance and program information.

13. Energy Measures and Program Activities

13.1. **Prescriptive Measures**

See SoCalGas June 1, 2005 Filing Workbook

13.2. **kWh Level Data**

See SoCalGas June 1, 2005 Filing Workbook

13.3. **Non-energy Activities**

13.3.1. **End Use Load**

13.3.2. **Targeted Sector:**

All nonresidential market sectors

13.3.3. **Activity Description:**

On-site energy audits associated with incentive and recognition programs.

13.3.4. **Quantitative Activity Goals**

13.3.5. **Assigned attributes of the activity**

13.4. **Subcontractor Activities –**

Subcontractor activities are expected to include:

- On-site Audit Software Development
- EM&V for Grant Program applications
- Subcontractor/Consultant

13.5. **Quality Assurance and Evaluation Activities**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs.

13.5.1. **Expected number/percent of inspections**

The SoCalGas Account Executives and Service Technicians perform site inspections as part of their job responsibilities. In addition to site inspections by the SoCalGas AE's and Technicians, an inspector is expected to also inspect 5% of the applications to add additional independent verification.

13.6. **Marketing Activities**

The program will be presented to the customer through various outreach and marketing channels. Direct promotion by SoCalGas representatives is the most effective means of promoting the five BEEP program elements. SoCalGas will provide BEEP program materials and handout packets at all customer presentations, and continue to work with small-, medium- and large-sized nonresidential customers to guide them to the specific element within the BEEP program that is most appropriate for their needs based upon their operations and desired outcomes.

The BEEP program will also be marketed through direct promotion by interested third parties such as vendors; manufacturers; cities, state and federal agencies; community-based organizations and other entities. SoCalGas may also advertise the program in regional nonresidential trade and business journals, multilingual brochures, and group workshops/seminars, technology profiles and the SoCalGas Company website.

SoCalGas will continue to work with third parties and local vendors to help promote high-efficiency equipment replacement, retrofit and modernization. Throughout the years, both proved helpful in identifying potential customers and leveraging BEEP rebates or incentives to capture those opportunities.

A large number of other programs within the SoCalGas system and third party programs will be able to help promote the BEEP program. Those other programs and services include:

- The Foodservice Center - providing foodservice demonstration, opportunities and technical support
- Commercial Service Technicians- providing equipment operation and preventive maintenance scheduling support

- Commercial Support Center - access to a 24 hour toll free Southern California based customer service hot line.
- SoCalGas also provides customer support in the form of Industrial Service Technicians who are trained to clean, adjust and improve the combustion efficiency of a wide variety of nonresidential foodservice, HVAC and industrial process equipment.
- Audits - to provide experts and resources to the small customer who has limited access to energy management services to identify opportunities for energy savings.
- Opportunities exist to coordinate information, marketing, and education efforts with outside organizations. SoCalGas' BEEP program will focus on state and federal program cooperation and collaborative opportunities; including but not limited to the California Manufacturers and Technology Association, Association of Energy Engineers, California Association of Non-Profits, California Energy Commission and the U.S. Department of Energy. The objective is to offer joint information delivery mechanisms and streamline respective process energy efficiency improvements.

Market barriers that may impede access or take full advantage of the BEEP program include language, geographic location and ethnicity. SoCalGas will provide training, educational materials and technical support targeted specifically to meet the needs of these customer groups. SoCalGas representatives will actively collaborate with local program administrators, local governments, networks of community based organizations, faith based organizations, ethnic business organizations, chambers of commerce, and other customer trade associations within their respective service area to increase SoCalGas' local BEEP program outreach at the local level. Local collaborative efforts will help achieve greater energy savings through the synergies created by leveraging the combined strengths of all participants.

SoCalGas will also actively work with respective local governments to explore opportunities to increase program outreach at the local level. Local governments have extensive knowledge, contact, and influence with the local community that can enhance local participation with minimal incremental effort. SoCalGas can utilize that collaborative relationship to provide training, educational materials and technical support targeted specifically at the given community's unique needs.

Direct mail pieces will be targeted to economic development areas, rural areas and other hard-to-reach customers in addition to our small-, medium- and large-sized customers. Informational pieces will educate customers as to the amount of the rebate, financial incentive, or non-financial incentive recognitions available for specific energy efficiency measures and how to qualify and calculate the financial incentives. SoCalGas may also assist businesses groups in developing and tailoring energy efficiency information to disseminate to their own constituents and stakeholders.

SoCalGas' Energy Efficiency website will provide supplemental information, including current updates as to available funding levels, for the local BEEP program: http://www.socalgas.com/business/. Customers requiring in-depth information can call toll-free to 1-800-GAS-2000, for technical assistance and detailed program information.

14. Conclusion

SoCalGas' local BEEP program targets all nonresidential customers. The program is consisted of five program elements and it addresses barriers to involvement by offering program elements that; (a) identify the right measure match for the customers need and operation; (b) are simple to access, understand and use; and (c) encourage innovative and varied energy efficiency strategies through program flexibility. Through a variety of channels including vendors; manufacturers; cities, state and federal agencies; and community-based organizations and other entities, the BEEP program aims to achieve cost effective therm savings and sustainable growth.

	SCG3513 NRF4-Local Business Energy Efficiency Program	
BUDGET		
Administrative Costs	**$**	**3,873,264**
Overhead and G&A	$	1,278,426
Other Administrative Costs	$	2,594,838
Marketing/Outreach	**$**	**1,676,590**
Direct Implementation	**$**	**21,297,086**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	14,476,000
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	6,452,051
Installation	$	-
Hardware & Materials	$	369,035
Rebate Processing & Inspection	$	-
EM&V Costs	**$**	-
Budget	**$**	**26,846,940**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**26,846,940**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		18,080,998
Lifecycle Net Therms		316,435,565
Cost Effectiveness		
TRC		
Costs	$	37,628,715
Electric Benefits	$	-
Gas Benefits	$	108,855,199
Net Benefits (NPV)	$	71,226,484
BC Ratio		2.89
PAC		
Costs	$	25,266,845
Electric Benefits	$	-
Gas Benefits	$	108,855,199
Net Benefits (NPV)	$	83,588,354
BC Ratio		4.31
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		164,200,665
Cost	$	0.2292
Benefits	$	0.6629
Benefit-Cost	$	0.4338
Levelized Cost PAC ($/therm)		
Discounted Therms		164,200,665
Cost	$	0.1539
Benefits	$	0.6629
Benefit-Cost	$	0.5091

SOCALGAS Local Business Energy Efficiency Program

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 6,137,264	$ 3,251,424	$ 2,885,840	-	4,339,845	-
2007	$ 9,324,108	$ 4,956,264	$ 4,367,845	-	6,234,811	-
2008	$ 11,385,568	$ 6,268,312	$ 5,117,256	-	7,506,342	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	314001	PARR Convection Oven	-	4	-	1	MBtuh	12	20,000	$ 5.00	$ 16.67	-	-	80,000
2006	314002	PARR Under-fired broiler	-	6	-	1	MBtuh	12	-	$ 4.00	$ 2.59	-	-	-
2006	314003	PARR Griddle	-	1	-	1	MBtuh	12	10,000	$ 5.00	$ 11.11	-	-	7,800
2006	314004	PARR Rotating Rack Oven	-	11	-	1	MBtuh	12	-	$ 10.00	$ 10.14	-	-	-
2006	314005	Misc. Cooking Equip.	-	5	-	1	MBtuh	12	69,375	$ 4.00	$ 11.12	-	-	320,513
2006	314006	PARR Fryer - High Effic. Unit	-	6	-	1	MBtuh	12	12,000	$ 3.00	$ 9.38	-	-	70,027
2006	314007	PARR Fryer - Unit with Electr. Ignition	-	2	-	1	MBtuh	12	-	$ 200.00	$ 3.59	-	-	-
2006	314008	NRER Furnace Replacement	-	1	-	0.8	Therm	20	200,000	$ 0.60	$ 0.57	-	-	160,000
2006	314009	NRER Kiln Replacement	-	1	-	0.8	Therm	20	95,000	$ 0.60	$ 0.53	-	-	76,000
2006	314010	NRER Oven Replacement	-	1	-	0.8	Therm	20	250,000	$ 0.65	$ 1.62	-	-	200,000
2006	314011	NREC Heat Recovery	-	1	-	0.8	Therm	20	252,900	$ 0.60	$ 0.92	-	-	202,320
2006	314012	NRER Misc. Process Equip. Replacement	-	1	-	0.8	Therm	20	1,118,745	$ 0.65	$ 1.51	-	-	894,996
2006	314013	NREC Equip. Modernization	-	1	-	0.8	Therm	20	1,270,000	$ 0.65	$ 1.20	-	-	1,016,000
2006	314014	NRER Engine Rebuild/Replacement	0	1	0	0.8	Therm	15	50000	$ 0.60	$ 1.37	-	-	40,000
2006	314015	NRER Pump Rebuild/Replacement	0	1	0	0.8	Therm	15	35000	$ 0.60	$ 1.63	-	-	28,000
2006	314016	PARR Combination Oven	0	11.72028353	0	1	MBtuh	12	0	$ 5.00	$ 23.16	-	-	-
2006	314017	PARR Deck Oven	0	3.620320856	0	1	MBtuh	12	0	$ 3.00	$ 9.11	-	-	-
2006	314018	PARR Over-Fired Charbroiler	0	9.417777778	0	1	MBtuh	12	0	$ 4.00	$ 12.51	-	-	-
2006	314019	PARR Cheesemelter	0	10.95578231	0	1	MBtuh	12	0	$ 4.00	$ 8.38	-	-	-
2006	314020	PARR Salamander	0	7.901960784	0	1	MBtuh	12	0	$ 4.00	$ 9.79	-	-	-
2006	314021	PARR Steam Kettle	0	15.46744186	0	1	MBtuh	12	0	$ 6.00	$ 21.17	-	-	-
2006	314022	PARR Braising Pan	0	5.328616352	0	1	MBtuh	12	0	$ 4.00	$ 14.53	-	-	-
2006	314023	PARR Cabinet Steamer Tier I	0	7.11	0	1	MBtuh	12	1000	$ 4.00	$ 11.11	-	-	7,110
2006	314024	PARR Fryer - High Effic. Unit with Electr. Ignition	0	0	0	1	MBtuh	12	0	$ 5.00	$ 28.39	-	-	-
2006	314025	PARR Fryer - High Effic. Tier I per MBtuH	0	2.53	0	1	MBtuh	9	1000	$ 5.00	$ 5.61	-	-	2,530

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	314026	PARR Conveyor Oven	0	5.04	0	1	MBtuh	9	0	$ 7.00	$ 16.08	-	-	-
2006	314027	PARR Rotisserie Oven	0	7.8	0	1	MBtuh	9	0	$ 7.00	$ 21.51	-	-	-
2006	314028	PARR ENERGY STAR Fryer				1	MBtuh		0	$ 5.00		-	-	-
2006	314029	PARR ENERGY STAR Fryer with Electric Ignition				1	MBtuh		0	$ 5.00		-	-	-
2006	314030	PARR ENERGY STAR Fryer with Electric Ignition				1	Unit		0	$ 200.00		-	-	-
2006	314031	PARR High Efficiency Fryer				1	MBtuh		0	$ 3.00		-	-	-
2006	314032	PARR High Efficiency Fryer with Electronic Ignition				1	MBtuh		0	$ 3.00		-	-	-
2006	314033	PARR High Efficiency Fryer with Electronic Ignition				1	Unit		0	$ 200.00		-	-	-
2006	314034	PARR Standard Efficiency Fryer with Electronic Ignition				1	Unit		0	$ 200.00		-	-	-
2006	314035	Steam Trap Replacement		$ 647.00		0.8	Unit	15	50	$ 100.00	$ 122.00	-	-	25,880
2006	314036	Upstream Water Heater Incentive NEW							0	$ 1.00		-	-	-
2006	314042	Grant (SPC Equivalent Measure)	-	$ 1.00	$ -	0.8	Therm	15	1350000	$ 0.50	$ 1.80	-	-	1,080,000
2006	314044	Efficiency Improvement Recognition	-	$ 1.00	$ -	0.8	Therm	2	50000	$ -	$ 0.52	-	-	40,000
2006	314045	Equipment Replacement Recognition (SPC Equivalent Measure)	-	$ 1.00	$ -	0.8	Therm	15	100000	$ -	$ 1.80	-	-	80,000
2006	314046	PARR Cabinet Steamer Tier II	-	$ 8.67	$ -	1		12	1000	$ 4.00	$ 11.11	-	-	8,670
2007	314001	PARR Convection Oven	-	$ 4.00	$ -	1	MBtuh	12	30000	$ 5.00	$ 16.67	-	-	120,000
2007	314002	PARR Under-fired broiler	-	$ 5.58	$ -	1	MBtuh	12	0	$ 4.00	$ 2.59	-	-	-
2007	314003	PARR Griddle	-	$ 0.78	$ -	1	MBtuh	12	15000	$ 5.00	$ 11.11	-	-	11,700
2007	314004	PARR Rotating Rack Oven	-	$ 11.43	$ -	1	MBtuh	12	0	$ 10.00	$ 10.14	-	-	-
2007	314005	Misc. Cooking Equip.	-	$ 4.62	$ -	1	MBtuh	12	104062.5	$ 4.00	$ 11.12	-	-	480,769
2007	314006	PARR Fryer - High Effic. Unit	-	$ 5.84	$ -	1	MBtuh	12	19500	$ 3.00	$ 9.38	-	-	113,793
2007	314007	PARR Fryer - Unit with Electr. Ignition	-	$ 2.19	$ -	1	MBtuh	12	0	$ 200.00	$ 3.59	-	-	-
2007	314008	NRER Furnace Replacement	-	$ 1.00	$ -	0.8	Therm	20	375000	$ 0.70	$ 0.57	-	-	300,000
2007	314009	NRER Kiln Replacement	-	$ 1.00	$ -	0.8	Therm	20	142500	$ 0.70	$ 0.53	-	-	114,000
2007	314010	NRER Oven Replacement	-	$ 1.00	$ -	0.8	Therm	20	375000	$ 0.70	$ 1.62	-	-	300,000
2007	314011	NREC Heat Recovery	-	$ 1.00	$ -	0.8	Therm	20	375000	$ 0.70	$ 0.92	-	-	300,000

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	314012	NRER Misc. Process Equip. Replacement	-	$ 1.00	$ -	0.8	Therm	20	1458100	$ 0.70	$ 1.51	-	-	1,166,480
2007	314013	NREC Equip. Modernization	-	$ 1.00	$ -	0.8	Therm	20	1793705	$ 0.70	$ 1.20	-	-	1,434,964
2007	314014	NRER Engine Rebuild/Replacement	-	$ 1.00	$ -	0.8	Therm	15	50000	$ 0.60	$ 1.37	-	-	40,000
2007	314015	NRER Pump Rebuild/Replacement	-	$ 1.00	$ -	0.8	Therm	15	35000	$ 0.60	$ 1.63	-	-	28,000
2007	314016	PARR Combination Oven	-	$ 11.72	$ -	1	MBtuh	12	0	$ 5.00	$ 23.16	-	-	-
2007	314017	PARR Deck Oven	-	$ 3.62	$ -	1	MBtuh	12	0	$ 3.00	$ 9.11	-	-	-
2007	314018	PARR Over-Fired Charbroiler	-	$ 9.42	$ -	1	MBtuh	12	0	$ 4.00	$ 12.51	-	-	-
2007	314019	PARR Cheesemelter	-	$ 10.96	$ -	1	MBtuh	12	0	$ 4.00	$ 8.38	-	-	-
2007	314020	PARR Salamander	-	$ 7.90	$ -	1	MBtuh	12	0	$ 4.00	$ 9.79	-	-	-
2007	314021	PARR Steam Kettle	-	$ 15.47	$ -	1	MBtuh	12	0	$ 6.00	$ 21.17	-	-	-
2007	314022	PARR Braising Pan	-	$ 5.33	$ -	1	MBtuh	12	0	$ 4.00	$ 14.53	-	-	-
2007	314023	PARR Cabinet Steamer Tier I	-	$ 7.11	$ -	1	MBtuh	12	1500	$ 4.00	$ 11.11	-	-	10,665
2007	314024	PARR Fryer - High Effic. Unit with Electr. Ignition	-	$ -	$ -	1	MBtuh	12	0	$ 5.00	$ 28.39	-	-	-
2007	314025	PARR Fryer - High Effic. Tier I per MBtuH	-	$ 2.53	$ -	1	MBtuh	9	1500	$ 5.00	$ 5.61	-	-	3,795
2007	314026	PARR Conveyor Oven	-	$ 5.04	$ -	1	MBtuh	9	0	$ 7.00	$ 16.08	-	-	-
2007	314027	PARR Rotisserie Oven	-	$ 7.80	$ -	1	MBtuh	9	0	$ 7.00	$ 21.51	-	-	-
2007	314028	PARR ENERGY STAR Fryer				1	MBtuh		0	$ 5.00		-	-	-
2007	314029	PARR ENERGY STAR Fryer with Electric Ignition				1	MBtuh		0	$ 5.00		-	-	-
2007	314030	PARR ENERGY STAR Fryer with Electric Ignition				1	Unit		0	$ 200.00		-	-	-
2007	314031	PARR High Efficiency Fryer				1	MBtuh		0	$ 3.00		-	-	-
2007	314032	PARR High Efficiency Fryer with Electronic Ignition				1	MBtuh		0	$ 3.00		-	-	-
2007	314033	PARR High Efficiency Fryer with Electronic Ignition				1	Unit		0	$ 200.00		-	-	-
2007	314034	PARR Standard Efficiency Fryer with Electronic Ignition				1	Unit		0	$ 200.00		-	-	-
2007	314035	Steam Trap Replacement		$ 647.00		0.8	Unit	15	150	$ 150.00	$ 122.00	-	-	77,640
2007	314036	Upstream Water Heater Incentive NEW							0	$ 1.00		-	-	-
2007	314042	Grant (SPC Equivalent Measure)	-	$ 1.00	$ -	0.8	Therm	15	2000000	$ 0.50	$ 1.80	-	-	1,600,000

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	314044	Efficiency Improvement Recognition	-	$ 1.00	$ -	0.8	Therm	2	50000	$ -	$ 0.52	-	-	40,000
2007	314045	Equipment Replacement Recognition (SPC Equivalent Measure)	-	$ 1.00	$ -	0.8	Therm	15	100000	$ -	$ 1.80	-	-	80,000
2007	314046	PARR Cabinet Steamer Tier II	-	$ 8.67	$ -	1		12	1500	$ 4.00	$ 11.11	-	-	13,005
2008	314001	PARR Convection Oven	-	$ 4.00	$ -	1	MBtuh	12	43200	$ 5.00	$ 16.67	-	-	172,800
2008	314002	PARR Under-fired broiler	-	$ 5.58	$ -	1	MBtuh	12	0	$ 4.00	$ 2.59	-	-	-
2008	314003	PARR Griddle	-	$ 0.78	$ -	1	MBtuh	12	18000	$ 5.00	$ 11.11	-	-	14,040
2008	314004	PARR Rotating Rack Oven	-	$ 11.43	$ -	1	MBtuh	12	0	$ 10.00	$ 10.14	-	-	-
2008	314005	Misc. Cooking Equip.	-	$ 4.62	$ -	1	MBtuh	12	132975	$ 4.00	$ 11.12	-	-	614,345
2008	314006	PARR Fryer - High Effic. Unit	-	$ 5.84	$ -	1	MBtuh	12	23400	$ 3.00	$ 9.38	-	-	136,552
2008	314007	PARR Fryer - Unit with Electr. Ignition	-	$ 2.19	$ -	1	MBtuh	12	0	$ 200.00	$ 3.59	-	-	-
2008	314008	NRER Furnace Replacement	-	$ 1.00	$ -	0.8	Therm	20	330000	$ 0.70	$ 0.57	-	-	264,000
2008	314009	NRER Kiln Replacement	-	$ 1.00	$ -	0.8	Therm	20	91000	$ 0.70	$ 0.53	-	-	72,800
2008	314010	NRER Oven Replacement	-	$ 1.00	$ -	0.8	Therm	20	414160	$ 0.70	$ 1.62	-	-	331,328
2008	314011	NREC Heat Recovery	-	$ 1.00	$ -	0.8	Therm	20	450000	$ 0.70	$ 0.92	-	-	360,000
2008	314012	NRER Misc. Process Equip. Replacement	-	$ 1.00	$ -	0.8	Therm	20	2108000	$ 0.75	$ 1.51	-	-	1,686,400
2008	314013	NREC Equip. Modernization	-	$ 1.00	$ -	0.8	Therm	20	2270000	$ 0.75	$ 1.20	-	-	1,816,000
2008	314014	NRER Engine Rebuild/Replacement	-	$ 1.00	$ -	0.8	Therm	15	60000	$ 0.60	$ 1.37	-	-	48,000
2008	314015	NRER Pump Rebuild/Replacement	-	$ 1.00	$ -	0.8	Therm	15	42000	$ 0.60	$ 1.63	-	-	33,600
2008	314016	PARR Combination Oven	-	$ 11.72	$ -	1	MBtuh	12	0	$ 5.00	$ 23.16	-	-	-
2008	314017	PARR Deck Oven	-	$ 3.62	$ -	1	MBtuh	12	0	$ 3.00	$ 9.11	-	-	-
2008	314018	PARR Over-Fired Charbroiler	-	$ 9.42	$ -	1	MBtuh	12	0	$ 4.00	$ 12.51	-	-	-
2008	314019	PARR Cheesemelter	-	$ 10.96	$ -	1	MBtuh	12	0	$ 4.00	$ 8.38	-	-	-
2008	314020	PARR Salamander	-	$ 7.90	$ -	1	MBtuh	12	0	$ 4.00	$ 9.79	-	-	-
2008	314021	PARR Steam Kettle	-	$ 15.47	$ -	1	MBtuh	12	0	$ 6.00	$ 21.17	-	-	-
2008	314022	PARR Braising Pan	-	$ 5.33	$ -	1	MBtuh	12	0	$ 4.00	$ 14.53	-	-	-
2008	314023	PARR Cabinet Steamer Tier I	-	$ 7.11	$ -	1	MBtuh	12	1800	$ 4.00	$ 11.11	-	-	12,798
2008	314024	PARR Fryer - High Effic. Unit with Electr. Ignition	-	$ -	$ -	1	MBtuh	12	0	$ 5.00	$ 28.39	-	-	-
2008	314025	PARR Fryer - High Effic. Tier I per MBtuH	-	$ 2.53	$ -	1	MBtuh	9	1800	$ 5.00	$ 5.61	-	-	4,554
2008	314026	PARR Conveyor Oven	-	$ 5.04	$ -	1	MBtuh	9	0	$ 7.00	$ 16.08	-	-	-
2008	314027	PARR Rotisserie Oven	-	$ 7.80	$ -	1	MBtuh	9	0	$ 7.00	$ 21.51	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2008	314028	PARR ENERGY STAR Fryer				1	MBtuh		0	$ 5.00		-	-	-
2008	314029	PARR ENERGY STAR Fryer with Electric Ignition				1	MBtuh		0	$ 5.00		-	-	-
2008	314030	PARR ENERGY STAR Fryer with Electric Ignition				1	Unit		0	$ 200.00		-	-	-
2008	314031	PARR High Efficiency Fryer				1	MBtuh		0	$ 3.00		-	-	-
2008	314032	PARR High Efficiency Fryer with Electronic Ignition				1	MBtuh		0	$ 3.00		-	-	-
2008	314033	PARR High Efficiency Fryer with Electronic Ignition				1	Unit		0	$ 200.00		-	-	-
2008	314034	PARR Standard Efficiency Fryer with Electronic Ignition				1	Unit		0	$ 200.00		-	-	-
2008	314035	Steam Trap Replacement		$ 647.00		0.8	Unit	15	200	$ 150.00	$ 122.00	-	-	103,520
2008	314036	Upstream Water Heater Incentive NEW							0	$ 1.00		-	-	-
2008	314042	Grant (SPC Equivalent Measure)	-	$ 1.00	$ -	0.8	Therm	15	2125000	$ 0.50	$ 1.80	-	-	1,700,000
2008	314044	Efficiency Improvement Recognition	-	$ 1.00	$ -	0.8	Therm	2	50000	$ -	$ 0.52	-	-	40,000
2008	314045	Equipment Replacement Recognition (SPC Equivalent Measure)	-	$ 1.00	$ -	0.8	Therm	15	100000	$ -	$ 1.80	-	-	80,000
2008	314046	PARR Cabinet Steamer Tier II	-	$ 8.67	$ -	1		12	1800	$ 4.00	$ 11.11	-	-	15,606

NEW CONSTRUCTION PROGRAMS

2006-2008 Energy Efficiency Concept Paper
SoCalGas/SCE Joint Savings By Design Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 348,016	$ 192,654	$ 166,667
Overhead	$ 71,429	$ 119,048	$ 195,289
Direct Implementation			
Financial Incentives	$ 527,970	$ 1,050,000	$ 1,514,924
Activity	$ 312,040	$ 567,627	$ 995,492
Installation	$ -	$ -	$ -
Hardware & Materials	$ -	$ -	$ -
Rebate Processing and Inspection	$ 5,313	$ 16,642	$ 26,722
Marketing			
Program Specific Marketing	$ 235,232	$ 554,029	$ 600,907
Statewide Marketing			
Total Program Budget	**$ 1,500,000**	**$ 2,500,000**	**$ 3,500,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	884,834	-	-	1,759,714	-	-	2,646,926

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The SoCalGas/Southern California Edison (SCE) Savings By Design (SBD) program is a collaborative, statewide, nonresidential, new construction, incentive program. Through this joint program SoCalGas will offer incentives for gas energy savings, while SCE will provide incentives for electric energy savings.

5. Program Statement

This joint SBD program with SCE will continue to improve upon established successful approaches to overcome customer/market barriers to designing and building high performance facilities.

What's New for 2006-08?

- **Innovation**
  - Offers incentives for gas energy savings
  - Work jointly with SCE and PG&E
  - Non-core customers will be eligible for program participation

SBD will provide the nonresidential new construction industry with a broad palette of technical and financial resources to aid them in designing new facilities to the most cost-effective energy efficiency standards.

California's Title 24 requirements set some of the most stringent energy regulations in the nation. Title 24, for some market actors can be very confusing. As a result, customers and designers need education and guidance just to comply with the requirements. Exceeding these standard energy performance levels requires an even higher level of design and technical assistance and motivation.

It's been firmly established in SBD program evaluations that the integrated design process, implemented correctly, can lead to the most cost-effective energy efficiency strategy for most projects. Yet, many in the design field are unaware or reluctant to implement, this strategy, due to a lack of true understanding of the integrated design process and perceived constraints of the budget. As a result, energy use is often a forgotten criterion, abandoned in favor of pursuing the lowest initial cost option.

6. Program Rationale

SoCalGas's new construction program will play an increased role in reducing the gas energy needs of new and expanding facilities. SBD offers a full spectrum of support to building owners, architects, engineers, and other specialized consultants, providing the resources and information necessary to achieve the optimum energy efficiency in their projects.

By providing design, technical, and financial assistance to influence the basic design of a customer's project, SBD's focused interventions minimize missed opportunities that may result when a building's performance is not a primary consideration in the design of a project. Past nonresidential new construction program experience has shown that integrated design leads to the most energy savings, while managing design costs and eliminating change-order increases. When a building is built correctly from the outset, excess electrical and gas demand never impact the electric and gas transmission and distribution systems, assuring both energy savings and savings persistence.

The program is designed to mirror the construction process by:

- making influential information available when design decisions are being made,
- quantifying and committing to pay incentives in the future upon construction completion (with design stipends paid upon construction documentation),
- claiming energy savings once projects have completed construction, and
- encouraging permanent change to designer's standard practices.

7. Program Outcomes

This program can serve as a catalyst in helping to demonstrate the value and benefits of sustainable design practices in partnership with cities, owners, developers, and design professionals.

Savings By Design will:

- Collaborate with the statewide SBD team to share best practices and other successful tools and resources. SoCalGas's SBD program will team up with the SCE SBD program to identify and capture additional gas energy savings that might have been overlooked previously.
- Motivate customers and the design industry to integrate energy use considerations early in the design process.

- Move customers to design their facilities with the idea of long-term energy and cost savings, not just compliance with regulations.
- Promote available resources to market players regarding Title 24 Code changes and how to exceed them cost-effectively.

8. Program Strategy

The SoCalGas/SCE joint SBD program will be offered in the areas where the SoCalGas and SCE service territories overlap. SoCalGas will fund the natural gas incentives SCE will fund the electric incentives.

SCE will generally represent the program to owners and design teams with SoCalGas providing technical support on the gas efficiency technologies. If a project has only gas savings potential then SoCalGas may take the lead with the building owner.

The joint program will also include Pacific Gas and Electric (PG&E) where the PG&E and SoCalGas service territories overlap.

Savings By Design will:

- Continue to build on the existing statewide program that has been validated and proven successful for seven years in California.
- Expand available resources to facilitate integrated design practices into a larger number of new construction projects.

9. Program Objectives

This nonresidential new construction program seeks to optimize energy efficiency and reduce peak gas and electric demand of nonresidential new construction projects, prepare the market for upcoming building energy code change, and promote the acceptance of energy efficiency within the new construction market by providing tools and resources to standardize energy efficient design processes. Past program experience has proven 50/50 between the Systems Approach and Whole Building Approach.

10. Program Implementation

The process begins with the project owner obtaining, completing, and submitting a Letter of Interest to the utility. This letter shows the owner's willingness to consider energy efficiency recommendations, which will bring their project's performance significantly beyond Title 24 (or industry baseline) requirements. A template for this letter, as well as contact information for utility representatives dedicated to program participation and facilitation, will be posted and available on-line.

For eligible nonresidential new construction projects, the utility representatives will work closely with the owner and their design team to obtain the necessary documents to assess the project's performance and to propose enhancements. When the design is finalized and energy evaluation completed, an incentive agreement will be signed by the owner and the utility prior to the purchase or installation the energy efficient options. The owner is paid the agreed upon incentive once construction is completed and all of the energy efficiency attributes are installed, as confirmed through an on-site inspection by the utility.

The program has two approaches: the Whole Building and the Systems approaches.

- The Whole Building Approach is similar to performance-based compliance with Title 24 and best suited to sustainable design, high performance goals, and optimized life cycle costing. An additional option within the Whole Building Approach is Design Team Incentives - where design professions, who plan and specify high performance energy systems for the owner's project, conduct the energy modeling and investigate various energy efficiency options, allowing them to become eligible for additional incentive.
- The Systems Approach is similar to a prescriptive path of compliance with Title 24 and involves simplified energy analysis by utility provided software (NC-calc) and includes interactive effects through prototypical energy modeling. It may be best suited to less complex buildings where the energy systems are designed at different phases, or where one energy system predominates (such as industrial or process-load projects). This approach is also generally utilized for industrial projects where only a process loads are analyzed.

Rules of the program require early involvement between the utility and owner, to help secure program's role related to influencing the design process, attributing enhancements to the utilities information, and increasing the energy efficiency performance beyond what was planned.

Due to the past success of the SBD program, very few changes are anticipated for the program. These changes include:

- Greater emphasis will be on gas energy savings throughout the SoCalGas service territory
- Greater emphasis will be on industrial new construction projects
- Baseline for commercial buildings to change from the 2001 to 2005 Title 24 Building Energy Standards (to align with local jurisdictions requirements)
- Program to be offered to non-core as well as core SoCalGas customers
- Electric incentives to be funded by SCE or PG&E, pending their acceptance of participation

11. Customer Description

The program is targeted to owners who are planning new buildings, including expansions, additions, and major remodels, as well as their selected design professionals who are providing building plans and specialty consulting regarding energy or environmental quality. Participation will be open for both core and non-core customers.

Additionally, participation in this program can assist public agencies and the private sector when they are seeking sustainability certification – such as those agencies seeking LEED (Leadership in Energy and Environmental Design) Green Building Rating System® rating or other similar rating system such as the Collaborative for High Performance Schools certification – by addressing important "energy and atmosphere" points that are earned through energy efficiency enhancements and design.

Though a greater emphasis will be placed on industrial projects, the program is flexible enough to address all nonresidential new construction building types including commercial, institutional, retail/warehouse, hospital, and agricultural.

12. Customer Interface

Both the System Approach and the Whole Building Approach follow the same implementation process. The process begins with initial contact between the customer and/or the customer's design team and a SBD representative. These representatives are technical support staff trained to understand the dynamics and language of the design and construction industry and are focused only on the delivery of the SBD program.

The owner completes and submits a brief Letter of Interest that documents the specifics of the project, the design team (if known), and the owner's interest in participating in and receiving program benefits.

An initial meeting between all members of the design team, the SBD representative, and supporting technical staff is then held to discuss the parameters of the project and determine the appropriate approach for the project. Design assistance, matched to the needs and scope of the project, is offered for the project to identify and validate energy savings strategies appropriate to the facility under design.

The SBD representative and supporting technical staff continue to provide recommendations, feedback, consulting, and energy use analysis, as needed, to the owner and design team as the project proceeds through the various design phases. Such activity can vary in duration from months to years. Culmination of this phase of the process will result in a list of agreed-upon energy efficiency strategies to be incorporated into the project.

At this point, an Incentive Agreement between the owner and SoCalGas is executed. The execution of the Agreement generally takes place before the construction of the new building is begun. When applicable, an Incentive Agreement between the design team leader and SoCalGas is executed after the Owner Agreement has been finalized.

When the building construction has been substantially completed, SoCalGas will make an on-site visit to each participating project to confirm compliance with the terms of the Agreement. Once the inclusion of all measures/strategies has been confirmed, the owner is paid the agreed-upon incentive amount. Should the completed construction vary from the Agreement, the available incentive will be recalculated to reflect the actual construction before the incentive is distributed.

13. Energy Measures and Program Activities

13.1. **Prescriptive Measures.**
See SoCalGas June 1, 2005 Filing Workbook

13.2. **kWh Level Data**
See SoCalGas June 1, 2005 Filing Workbook

13.3. **Non-energy Activities**

- Outreach activities include an annual Energy Efficiency Design Awards, co-sponsored with the AIA, California Council to raise the awareness of successful energy efficient facilities in the architectural profession.

- Training and resource enhancements in concert with the Education/Training/Outreach program's Energy Design Resources component.

13.4. **Subcontractor Activities**

- Project-specific energy simulation design assistance and consulting
- Integrated energy design support
- Program marketing and delivery in defined industry niches

13.5. **Quality Assurance and Evaluation Activities**

Participating projects are verified during an on-site visit as soon as a facility is substantially complete.

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs.

13.6. **Marketing Activities**

SBD will market to architects, engineers, energy design professionals, building owners, professional and industry associations, and contractors. Marketing efforts include but are not limited to:

- The development and distribution of program brochures, informational inserts, industry-specific marketing pieces, and design guidelines addressed to specific market actors;
- Delivery of these materials through trade and professional organizations, design conferences, trade shows, and educational seminars and classes including Energy Design Resources training in integrated design practice, industrial energy efficiency seminars, as well as classes specific to Title 24 and future code requirements;
- Targeted information and supplemental design stipends to architects and engineers to encourage financial analyses including building simulation modeling for decision-maker use;
- Continuation of support for, and outreach efforts through, CHPS, CCC, CASH, AIACC, ASHRAE, and the CEC for meetings, programs, conferences, and activities that promote energy efficiency and integrated design for nonresidential buildings and processes to owners, design and energy professionals, government agencies, and other key market actors;
- Statewide development of Energy Design Resources including energy simulation tools, financial analysis tools, Web-based resources, continued industry standard-practice benchmarking, development and delivery of tools, training, and demonstration projects with media promotion for those efforts;
- Continued development of the SBD and Energy Design Resources Web sites.

Activity	Quantity
SBD Brochure	1 for program period

SBD Inserts (for program changes)	1 set/year
Brochures for targeted approaches	3- 6 new approaches/year
Outreach (industry trade shows)	4 – 6 per year
Trade Journal Ads	1 per year
AIACC Sponsorship	1 per year

14. Conclusion

The SBD continues to be a successful program providing the technical and financial means to influence the basic design of commercial and industrial projects, SBD assures that these projects are designed and constructed correctly the first time. To provide the greatest level of energy savings persistence from the outset, energy efficiency is built-in to a building or process, so that excess electrical and gas demand never impacts the electric and gas transmission and distribution systems. Further, because the program is delivered before a building or process is constructed, energy savings are achieved when they create the greatest benefit and are most cost-effective for the owner.

	SCG3511 NEW4-Savings By Design SCG SCE Program	
BUDGET		
Administrative Costs	**$**	**1,093,102**
Overhead and G&A	$	385,765
Other Administrative Costs	$	707,337
Marketing/Outreach	**$**	**1,390,168**
Direct Implementation	**$**	**5,016,729**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	3,092,893
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	1,875,159
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	48,677
EM&V Costs	**$**	-
Budget	**$**	**7,500,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**7,500,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		5,291,474
Lifecycle Net Therms		79,372,117
Cost Effectiveness		
TRC		
Costs	$	17,203,086
Electric Benefits	$	-
Gas Benefits	$	29,437,731
Net Benefits (NPV)	$	12,234,644
BC Ratio		1.71
PAC		
Costs	$	7,139,456
Electric Benefits	$	-
Gas Benefits	$	29,437,731
Net Benefits (NPV)	$	22,298,275
BC Ratio		4.12
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		44,335,806
Cost	$	0.3880
Benefits	$	0.6640
Benefit-Cost	$	0.2760
Levelized Cost PAC ($/therm)		
Discounted Therms		44,335,806
Cost	$	0.1610
Benefits	$	0.6640
Benefit-Cost	$	0.5029

SOCALGAS Savings By Design SCG SCE Program

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 1,500,000	$ 527,970	$ 972,030	-	884,834	-
2007	$ 2,500,000	$ 1,050,000	$ 1,450,000	-	1,759,714	-
2008	$ 3,500,000	$ 1,514,924	$ 1,985,076	-	2,646,926	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	313001	Day Lighting (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.04	$ 0.15	-	-	-
2006	313002	HVAC (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.04	$ 0.21	-	-	-
2006	313003	Lighting (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.11	$ 0.16	-	-	-
2006	313004	Misc (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.11	$ 0.22	-	-	-
2006	313005	Misc (per Therm)	-	1	-	0.8212	Therm	15	648,918	$ 0.49	$ 2.53	-	-	532,891
2006	313006	Service Hot Water (per Therm)	1	-	-	0.8212	Therm	15	-	$ 0.06	$ -	-	-	-
2006	313007	Space Heat/Boiler (per Therm)	1	-	-	0.8212	Therm	15	-	$ 0.03	$ -	-	-	-
2006	313008	Refrigeration (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.03	$ 0.16	-	-	-
2006	313009	Whole Bldg (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.16	$ 0.10	-	-	-
2006	313010	Whole Bldg (per Therm)	-	1	-	0.8212	Therm	15	428,571	$ 0.49	$ 2.97	-	-	351,943
2007	313001	Day Lighting (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.04	$ 0.15	-	-	-
2007	313002	HVAC (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.04	$ 0.21	-	-	-
2007	313003	Lighting (per kWh)	1	-	0.00	0.8212	kWh	15	-	$ 0.11	$ 0.16	-	-	-
2007	313004	Misc (per kWh)	1	0	8.6935E-05	0.8212	kWh	15	0	$ 0.11	$ 0.22	-	-	-
2007	313005	Misc (per Therm)	0	1	0	0.8212	Therm	15	1392857	$ 0.49	$ 2.53	-	-	1,143,814
2007	313006	Service Hot Water (per Therm)	1	0	0	0.8212	Therm	15	0	$ 0.06	$ -	-	-	-
2007	313007	Space Heat/Boiler (per Therm)	1	0	0	0.8212	Therm	15	0	$ 0.03	$ -	-	-	-
2007	313008	Refrigeration (per kWh)	1	0	0.0001415	0.8212	kWh	15	0	$ 0.03	$ 0.16	-	-	-
2007	313009	Whole Bldg (per kWh)	1	0	0.00022049	0.8212	kWh	15	0	$ 0.16	$ 0.10	-	-	-
2007	313010	Whole Bldg (per Therm)	0	1	0	0.8212	Therm	15	750000	$ 0.49	$ 2.97	-	-	615,900
2008	313001	Day Lighting (per kWh)	1	0	0.00025225	0.8212	kWh	15	0	$ 0.04	$ 0.15	-	-	-
2008	313002	HVAC (per kWh)	1	0	0.00024161	0.8212	kWh	15	0	$ 0.04	$ 0.21	-	-	-
2008	313003	Lighting (per kWh)	1	0	0.00028532	0.8212	kWh	15	0	$ 0.11	$ 0.16	-	-	-
2008	313004	Misc (per kWh)	1	0	8.6935E-05	0.8212	kWh	15	0	$ 0.11	$ 0.22	-	-	-
2008	313005	Misc (per Therm)	0	1	0	0.8212	Therm	15	1289296	$ 0.47	$ 2.53	-	-	1,058,770
2008	313006	Service Hot Water (per Therm)	1	0	0	0.8212	Therm	15	0	$ 0.06	$ -	-	-	-
2008	313007	Space Heat/Boiler (per Therm)	1	0	0	0.8212	Therm	15	0	$ 0.03	$ -	-	-	-
2008	313008	Refrigeration (per kWh)	1	0	0.0001415	0.8212	kWh	15	0	$ 0.03	$ 0.16	-	-	-
2008	313009	Whole Bldg (per kWh)	1	0	0.00022049	0.8212	kWh	15		$ 0.16	$ 0.10	-	-	-
2008	313010	Whole Bldg (per Therm)	0	1	0	0.8212	Therm	15	1933946	$ 0.47	$ 2.97	-	-	1,588,156

2006-2008 Energy Efficiency Concept Paper
SoCalGas/Municipal Electric Utility Savings By Design Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 73,288	$ 84,963	$ 7,000
Overhead	$ 47,619	$ 47,619	$ 44,500
Direct Implementation			
Financial Incentives	$ 600,000	$ 600,000	$ 600,000
Activity	$ 161,982	$ 110,016	$ 285,000
Installation	$ -	$ -	$ -
Hardware & Materials	$ -	$ -	$ 500
Rebate Processing and Inspection	$ 3,713	$ 28,921	$ 2,500
Marketing			
Program Specific Marketing	$ 113,398	$ 128,483	$ 60,500
Statewide Marketing			
Total Program Budget	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	1,005,550	-	-	1,005,550	-	-	1,005,550

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The SoCalGas/Municipal Electric Utility Savings By Design (SBD) program is a collaborative, statewide, nonresidential, new construction, incentive program. Through this joint program SoCalGas will offer incentives for gas energy savings, while the collaborative electric utility will provide incentives for electric energy savings.

5. Program Statement

This joint SBD program with municipal electric utilities will continue to improve upon established successful approaches to overcome customer/market barriers to designing and building high performance facilities.

SBD will provide the nonresidential new construction industry with a broad palette

What's New for 2006-08?

- **Innovation**
  - Offers incentives for gas energy savings
  - Collaborate with municipal electric companies
  - Non-core customers will be eligible for program participation

of technical and financial resources to aid them in designing new facilities to the most cost-effective energy efficiency standards.

California's Title 24 requirements set some of the most stringent energy regulations in the nation. Title 24, for some market actors can be very confusing. As a result, customers and designers need education and guidance just to comply with the requirements. Exceeding these standard energy performance levels requires an even higher level of design and technical assistance and motivation.

It's been firmly established in SBD program evaluations that the integrated design process, implemented correctly, can lead to the most cost-effective energy efficiency strategy for most projects. Yet, many in the design field are unaware of, or reluctant to implement, this strategy due to a lack of true understanding of the integrated design process and perceived constraints of the budget. As a result, energy use is often a forgotten criterion, abandoned in favor of pursuing the "lowest initial cost" option.

6. Program Rationale

SoCalGas's new construction program will play an increased role in reducing the gas energy needs of new and expanding facilities. SBD offers a full spectrum of support to building owners, architects, engineers, and other specialized consultants, providing the resources and information necessary to achieve the optimum energy efficiency in their projects.

By providing design, technical, and financial assistance to influence the basic design of a customer's project, SBD's focused interventions minimize missed opportunities that may result when a building's performance is not a primary consideration in the design of a project. Past nonresidential new construction program experience has shown that integrated design leads to the most energy savings, while managing design costs and eliminating change-order increases. When a building is built correctly from the outset, excess electrical and gas demand never impact the electric and gas transmission and distribution systems, assuring both energy savings and savings persistence.

The program is designed to mirror the construction process by:

- making influential information available when design decisions are being made,
- quantifying and committing to pay incentives in the future upon construction completion (with design stipends paid upon construction documentation),
- claiming energy savings once projects have completed construction, and
- encouraging permanent change to designer's standard practices.

7. Program Outcomes

This program can serve as a catalyst in helping to demonstrate the value and benefits of sustainable design practices in partnership with cities, owners, developers, and design professionals.

Savings By Design will:

- Collaborate with the Statewide SBD teams to share best practices and other successful tools and resources. SoCalGas' SBD program will "team up" with Southern California

Edison's (SCE) SBD program to identify and capture additional gas energy savings that might have been overlooked previously.

- Motivate customers and the design industry to integrate energy use considerations early in the design process.
- Move customers to design their facilities with the idea of long-term energy and cost savings, not just compliance with regulations.
- Promote available resources to market players regarding Title 24 Code changes and how to exceed them cost-effectively.

8. Program Strategy

The SoCalGas/Municipal Electric Utility SBD program will be offered in the SoCalGas service territory with municipal electric utilities that are willing to cooperate in a collaborative effort to offer energy efficiency incentives. SoCalGas will only fund gas incentives and the municipal electric utility will only fund the electric incentives.

SoCalGas would provide the complete SBD program, subject to electric incentive funding by the municipal electric utility. In some cases, the municipal electric utility may elect to support and enhance the SBE program.

A partial list of potential municipal electric company participants include, but are not limited to: Los Angeles Department of Water and Power, Pasadena Water and Power, Burbank Water and Power, Riverside Public Utilities, Imperial Irrigation District, Glendale Water and Power, and Anaheim Public Utilities.

Savings By Design will:

- Continue to build on the existing statewide program that has been validated and proven successful for seven years in California.
- Expand available resources to facilitate integrated design practices into a larger number of new construction projects.

9. Program Objectives

This nonresidential new construction program seeks to optimize energy efficiency and reduce peak gas and electric demand of nonresidential new construction projects, prepare the market for upcoming building energy code change, and promote the acceptance of energy efficiency within the new construction market by providing tools and resources to standardize energy efficient design processes. Past program experience has proven 50/50 between the Systems Approach and Whole Building Approach.

10. Program Implementation

The process begins with the project owner obtaining, completing, and submitting a Letter of Interest to the utility. This letter shows the owner's willingness to consider energy efficiency recommendations, which will bring their project's performance significantly beyond Title 24 (or industry baseline) requirements. A template for this letter, as well as contact information for utility representatives dedicated to program participation and facilitation, will be posted and available on-line.

For eligible nonresidential new construction projects, the utility representatives will work closely with the owner and their design team to obtain the necessary documents to assess

the project's performance and to propose enhancements. When the design is finalized and energy evaluation completed, an incentive agreement will be signed by the owner and the utility prior to the purchase or installation the energy efficient options. The owner is paid the agreed upon incentive once construction is completed and all of the energy efficiency attributes are installed, as confirmed through an on-site inspection by the utility.

The program has two approaches: the Whole Building and the Systems approaches.

- The Whole Building Approach is similar to performance-based compliance with Title 24 and best suited to sustainable design, high performance goals, and optimized life cycle costing. An additional option within the Whole Building Approach is Design Team Incentives - where design professions, who plan and specify high performance energy systems for the owner's project, conduct the energy modeling and investigate various energy efficiency options, allowing them to become eligible for additional incentive.
- The Systems Approach is similar to a prescriptive path of compliance with Title 24 and involves simplified energy analysis by utility provided software (NC-calc) and includes interactive effects through prototypical energy modeling. It may be best suited to less complex buildings where the energy systems are designed at different phases, or where one energy system predominates (such as industrial or process-load projects). This approach is also generally utilized for industrial projects where only a process loads are analyzed.

Rules of the program require early involvement between the utility and owner, to help secure program's role related to influencing the design process, attributing enhancements to the utilities information, and increasing the energy efficiency performance beyond what was planned.

Due to the past success of the SBD program, very few changes are anticipated for the program. These changes include:

- Greater emphasis will be on gas energy savings throughout the SoCalGas service territory
- Greater emphasis will be on industrial new construction projects
- Baseline for commercial buildings to change from the 2001 to 2005 Title 24 Building Energy Standards (to align with local jurisdictions requirements)
- Program to be offered to non-core as well as core SoCalGas customers
- Electric incentives to be funded by municipal electric utilities, pending their acceptance of participation

11. Customer Description

Nonresidential, New Construction, Small to Large Commercial & Industrial, and Agricultural

The program is targeted to owners who are planning new buildings, including expansions, additions, and major remodels, as well as their selected design professionals who are providing building plans and specialty consulting regarding energy or environmental quality. Participation will be open for both core and non-core customers.

Additionally, participation in this program can assist public agencies and the private sector when they are seeking sustainability certification – such as those agencies seeking a LEED (Leadership in Energy and Environmental Design) Green Building Rating System® rating or other similar rating system such as the Collaborative for High Performance Schools certification – by addressing important "energy and atmosphere" points that are earned through energy efficiency enhancements and design.

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At this point, an Incentive Agreement between the owner and SoCalGas is executed. The execution of the Agreement generally takes place before the construction of the new building is begun. When applicable, an Incentive Agreement between the design team leader and SoCalGas is executed after the Owner Agreement has been finalized.

When the building construction has been substantially completed, SoCalGas will make an on-site visit to each participating project to confirm compliance with the terms of the Agreement. Once the inclusion of all measures/strategies has been confirmed, the owner is paid the agreed-upon incentive amount. Should the completed construction vary from the Agreement, the available incentive will be recalculated to reflect the actual construction before the incentive is distributed.

13. Energy Measures and Program Activities

13.1. Prescriptive Measures.

See SDG&E June 1, 2005 Filing Workbook

13.2. kWh Level Data

See SDG&E June 1, 2005 Filing Workbook

13.3. Non-energy Activities

- Outreach/marketing activities, including an annual Energy Efficiency Design Awards, co-sponsored with the AIA, California Council to raise the awareness of successful energy efficient facilities in the architectural profession.
- Training and resource enhancements in concert with the Education/Training/Outreach program's Energy Design Resources component.

13.4. Subcontractor Activities

- Project-specific energy simulation design assistance and consulting
- Integrated energy design support
- Program marketing and delivery in defined industry niches
- Subcontractors to be determined by an open bid process

13.5. Quality Assurance and Evaluation Activities –

One hundred percent of the participating projects are verified during an on-site visit as soon as a facility is substantially complete.

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs.

13.6. Marketing Activities

SBD will market to architects, engineers, energy design professionals, building owners, professional and industry associations, and contractors. Marketing efforts include but are not limited to:

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- Targeted information and supplemental design stipends to architects and engineers to encourage financial analyses including building simulation modeling for decision-maker use;
- Continuation of support for, and outreach efforts through, CHPS, CCC, CASH, AIACC, ASHRAE, and the CEC for meetings, programs, conferences, and activities that promote energy efficiency and integrated design for

nonresidential buildings and processes to owners, design and energy professionals, government agencies, and other key market actors;

- Statewide development of Energy Design Resources including energy simulation tools, financial analysis tools, Web-based resources, continued industry standard-practice benchmarking, development and delivery of tools, training, and demonstration projects with media promotion for those efforts;
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14. Conclusion

The SBD continues to be a successful program providing the technical and financial means to influence the basic design of commercial and industrial projects, SBD assures that these projects are designed and constructed correctly the first time. To provide the greatest level of energy savings persistence from the outset, energy efficiency is built-in to a building or process, so that excess electrical and gas demand never impacts the electric and gas transmission and distribution systems. Further, because the program is delivered before a building or process is constructed, energy savings are achieved when they create the greatest benefit and are most cost-effective for the owner.

	SCG3512 NEW5-Savings By Design SCG Muni Program	
BUDGET		
Administrative Costs	**$**	**304,989**
Overhead and G&A	$	139,738
Other Administrative Costs	$	165,251
Marketing/Outreach	**$**	**302,381**
Direct Implementation	**$**	**2,392,630**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	1,799,999
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	556,998
Installation	$	-
Hardware & Materials	$	500
Rebate Processing & Inspection	$	35,134
EM&V Costs	**$**	-
Budget	**$**	**3,000,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**3,000,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		3,016,651
Lifecycle Net Therms		45,249,767
Cost Effectiveness		
TRC		
Costs	$	8,526,298
Electric Benefits	$	-
Gas Benefits	$	17,916,476
Net Benefits (NPV)	$	9,390,178
BC Ratio		2.10
PAC		
Costs	$	2,828,731
Electric Benefits	$	-
Gas Benefits	$	17,916,476
Net Benefits (NPV)	$	15,087,744
BC Ratio		6.33
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		25,915,455
Cost	$	0.3290
Benefits	$	0.6913
Benefit-Cost	$	0.3623
Levelized Cost PAC ($/therm)		
Discounted Therms		25,915,455
Cost	$	0.1092
Benefits	$	0.6913
Benefit-Cost	$	0.5822

SOCALGAS Savings By Design SCG Muni Program

Year	Total Budget	Total Incentives	Admin Bud	Net kWh	Net Therms	Net kW
2006	$ 1,000,000	$ 600,000	$ 400,000	-	1,005,550	-
2007	$ 1,000,000	$ 600,000	$ 400,000	-	1,005,550	-
2008	$ 1,000,000	$ 600,000	$ 400,000	-	1,005,550	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	317001	Lighting (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2006	317002	Misc (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2006	317003	Misc (per Therm)	-	1		0.82	15	795,918	$ 0.49	$ 2.53	-	-	653,608
2006	317004	Space Heat/Boiler (per Therm)	1	-		0.82	15	-	$ 0.49		-	-	-
2006	317005	Refrigeration (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2006	317006	Whole Bldg (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2006	317007	Whole Bldg (per Therm)	-	1		0.82	15	428,571	$ 0.49	$ 2.97	-	-	351,943
2007	317001	Lighting (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2007	317002	Misc (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2007	317003	Misc (per Therm)	-	1		0.82	15	795,918	$ 0.49	$ 2.53	-	-	653,608
2007	317004	Space Heat/Boiler (per Therm)	1	-		0.82	15	-	$ 0.49		-	-	-
2007	317005	Refrigeration (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2007	317006	Whole Bldg (per kWh)	1	-		0.82	15	-	$ -		-	-	-
2007	317007	Whole Bldg (per Therm)	0	1		0.82	15	428571	$ 0.49	$ 2.97	-	-	351,943
2008	317001	Lighting (per kWh)	1	0		0.82	15	0	$ -		-	-	-
2008	317002	Misc (per kWh)	1	0		0.82	15	0	$ -		-	-	-
2008	317003	Misc (per Therm)	0	1		0.82	15	795918	$ 0.49	$ 2.53	-	-	653,608
2008	317004	Space Heat/Boiler (per Therm)	1	0		0.82	15	0	$ 0.49		-	-	-
2008	317005	Refrigeration (per kWh)	1	0		0.82	15	0	$ -		-	-	-
2008	317006	Whole Bldg (per kWh)	1	0		0.82	15	0	$ -		-	-	-
2008	317007	Whole Bldg (per Therm)	0	1		0.82	15	428571	$ 0.49	$ 2.97	-	-	351,943

2006-2008 Energy Efficiency Concept Paper
Sustainable Communities-Santa Monica Demonstration Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 60,477	$ 58,033	$ 70,396
Overhead	$ 14,286	$ 14,286	$ 14,286
Direct Implementation			
Financial Incentives	$ -	$ 130,000	$ -
Activity	$ 93,635	$ 65,889	$ 95,166
Installation	$ -	$ -	$ -
Hardware & Materials	$ -	$ -	$ -
Rebate Processing and Inspection	$ -	$ 2,500	$ -
Marketing			
Program Specific Marketing	$ 131,602	$ 29,292	$ 120,153
Statewide Marketing			
Total Program Budget	**$ 300,000**	**$ 300,000**	**$ 300,000**

- Funding for electric incentives for the SCP City of Santa Monica Demonstration Project will be requested by SCE.
- Additional SoCalGas funding, from other than energy efficiency funding, will be secured to install a 250kw fuel cell.

2. Projected Program

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	-	10	7,313	202,038	-	-	-

3. Program Cost Effectiveness

Attached

4. Program Descriptors

Sustainable Communities Program (SCP) is 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. This program was successfully launched by SDG&E in 2004 and the concept is being expanded to the SCG service territory. For the initial project, SCG has entered into discussions with the Energy Coalition and the City of Santa Monica regarding a Multifamily project at the Civic Center. The demonstration project will be implemented in conjunction with Southern California Edison (SCE) and will incorporate high performance energy efficiency and demand reduction technologies, along with clean on-site generation, water conservation, transportation efficiencies and waste reduction strategies.

5. Program Statement

Although interest continues to grow, sustainable design is still in the infancy stage. Further emphasis is needed to encourage energy efficiency within sustainable building projects through good design practices beyond the current statewide program limitations. Momentum can be achieved by demonstrating success on local projects representing good sustainable design and construction practices. This program is expected to be a valuable showcase of how cities can implement sustainable building practices.

6. Program Rationale

The program responds to the growing interest in sustainable design practices. It emphasizes LEED (Leadership in Energy and Environmental Design) Green Building Rating System® due the its significant impact on energy and more holistic approach to building design, construction, performance and site development than the EPA's ENERGY STAR® rating system for buildings. LEED, created by the US Green Building Council (USGBC), has emerged as the recognized national standard for green building practices. It provides a complete framework for assessing building performance and meeting sustainability goals. LEED emphasizes state-of-the-art strategies for sustainable site development, water savings, energy efficiency, materials selection and indoor environmental quality. It recognizes achievements and promotes expertise in green building through a comprehensive system offering project certification, professional accreditation, training and practical resources.

7. Program Outcomes

The goal of the Demonstration Project is to show how the SCP generates sustainable energy and demand savings.

The long-term goal is to help mainstream new energy efficient technologies and sustainable design practices for cities by documenting the benefits and lifecycle cost savings achieved by these projects.

8. Program Strategy

This local program is a natural extension of the statewide new construction programs that offers a higher tier incentive for sustainable building projects that greatly exceed the state's Energy Code. The City of Santa Monica Demonstration Project will incorporate high performance energy efficiency and demand reduction technologies, along with clean on-site generation, water conservation, transportation efficiencies and waste reduction strategies. The program will leverage existing relationships, methodologies, and resources from the statewide new construction programs. A SoCalGas representative will participate in design team meetings to provide expertise in sustainable design and ensure program requirements are met. Case studies and fact sheets will be developed and distributed on completed projects to the target market to increase the sustainable building knowledge base locally. The project will showcase and provide community examples for developing and adopting sustainable building policies.

9. Program Objectives

The objectives of the Project are:

- Begin to create a network of sustainable building projects throughout SoCalGas and SCE service territory.
- Demonstrate the application of sustainable design practices.

- Prepare and distribute two-page informational flyers for the projects.
- Prepare a detailed case study for the project to document and quantify the benefits of sustainable design practices.
- Publicize the project results in cooperation to increase community awareness and promote widespread local adoption of sustainable design practices.
- Support the State of California Energy Action Plan goals of increasing the proliferation of renewable energy systems, and promoting customer and utility owned distributed generation.

10. Program Implementation

Program Process and Requirements

- SoCalGas in collaboration with SCE and the Energy Coalition will work with the City of Santa Monica to determine how the project can best achieve sustainable energy performance requirements.
- Participant will agree to commit to building and system designs that will improve building or system performance, not apply for or receive any other incentive offered by the statewide SBD or ENERGY STAR programs, and allow SoCalGas to create a case study.
- SoCalGas will assign a project manager to oversee the project and coordinate interactions with the utility and other entities.
- Upon commissioning, participant will provide required documentation, including selected construction documents, energy compliance documentation, integrated design analysis reports, manufacturer specifications, equipment cut sheets, and incremental cost verification, as requested.
- SoCalGas will complete on-site installation verification.
- Funds will be provided upon successful building commissioning and verification.
    - Electric incentives for the SCP City of Santa Monica Demonstration Project will be funded by SCE.
    - SoCalGas will fund gas incentives. Additional SoCalGas funding, from other than energy efficiency funding, will be secured to install a 250kw fuel cell.

<u>LEED Certification</u>

- The project will be registered and certified with the USGBC as a LEED project before funds will be reserved.
- Participant will provide proof of certification for LEED projects.

<u>On-Site Generation</u>

- The project manager will review with participant to consider on-site generation.
- Project manager will review with participant the funding options of other existing programs and technology options
- Participant will decide if on-site generation is a viable option for the project.

<u>Program Term</u>

SoCalGas will execute an Agreement with the City of Santa Monica.

<u>Program Availability</u>

Construction must be substantially complete and the City of Santa Monica must submit all required documentation to SoCalGas within 48 months from the date of SoCalGas' execution of the Agreement. If the project's completion is delayed beyond the final date, the Agreement is voided, but the project may be eligible under the program guidelines in effect at that time. Subsequent eligibility will be considered on a case-by-case basis and will require SoCalGas approval and execution of a new Agreement.

11. Customer Description

The educational component of SCP will seek to raise awareness of the benefits of sustainable design. 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.

12. Customer Interface

From early in the process, SoCalGas, in collaboration with SCE, the Energy Coalition and the City of Santa Monica, the best strategies to achieve energy performance requirements will be determined. A project manager will oversee the project and coordinate interactions with the utility and other entities.

13. Energy Measures and Program Activities

13.1. **Prescriptive Measures.**
See SoCalGas June 1, 2005 Filing Workbook

13.2. **kWh Level Data**
See SoCalGas June 1, 2005 Filing Workbook

13.3. **Non-energy Activities**

13.4. **Subcontractor Activities**
When appropriate subcontractors shall be determined by an open bid process.

13.5. **Quality Assurance and Evaluation Activities**
All projects will be inspected for verification of installed measures.

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs.

13.6. **Marketing Activities**.
Marketing efforts include but are not limited to: the development and distribution of program website, brochures, informational inserts, and design guidelines. SCP will market to architects, engineers, energy design professionals, building owners, professional and industry associations, and contractors.

14. Conclusion

The Sustainable Communities program supports state and local objectives to increase energy efficiency and encourage local renewable generation. It provides a holistic approach to building design and construction with a long-term goal to create sustainable communities through the adoption of new policies and increased market acceptance. The program will achieve significant success by leveraging existing resources, collaborating with region stakeholders, and conducting creative marketing activities.

	SCG3516 SCD4-Sustainable Communities Demo/City of Santa Monica	
BUDGET		
Administrative Costs	**$**	**231,763**
Overhead and G&A	$	42,857
Other Administrative Costs	$	188,906
Marketing/Outreach	**$**	**281,047**
Direct Implementation	**$**	**387,190**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	130,000
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	254,690
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	2,500
EM&V Costs	**$**	-
Budget	**$**	**900,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**900,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		10
Net NCP (kW)		10
Net CEC (kW)		2
Annual Net kWh		7,313
Lifecycle Net kWh		131,634
Annual Net Therms		202,038
Lifecycle Net Therms		3,032,354
Cost Effectiveness		
TRC		
Costs	$	1,401,838
Electric Benefits	$	13,960
Gas Benefits	$	1,297,013
Net Benefits (NPV)	$	(90,865)
BC Ratio		0.94
PAC		
Costs	$	887,415
Electric Benefits	$	13,960
Gas Benefits	$	1,297,013
Net Benefits (NPV)	$	423,558
BC Ratio		1.48
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		68,959
Cost	$	0.2299
Benefits	$	0.2024
Benefit-Cost	$	(0.0275)
Levelized Cost PAC ($/kWh)		
Discounted kWh		68,959
Cost	$	0.2133
Benefits	$	0.2024
Benefit-Cost	$	(0.0109)
Levelized Cost TRC ($/therm)		
Discounted Therms		1,732,997
Cost	$	0.7998
Benefits	$	0.7484
Benefit-Cost	$	(0.0513)
Levelized Cost PAC ($/therm)		
Discounted Therms		1,732,997
Cost	$	0.5036
Benefits	$	0.7484
Benefit-Cost	$	0.2448

SOCALGAS Sustainable Communities Demo/City of Santa Monica

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 300,000	$ -	$ 300,000	-	-	-
2007	$ 300,000	$ 130,000	$ 170,000	7,313	202,038	10
2008	$ 300,000	$ -	$ 300,000	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	321001	Multifamily All Zones 15% Above AB970	187	15	0.26	0.8	18	-	$ 200.00	$ 294.01	-	-	-
2006	321002	Whole Bldg - Th	-	1	-	0.8212	15	-	$ 1.23	$ 3.42	-	-	-
2006	321003	Whole Bldg - Elec	1	-	0.00	0.8212	15	-	$ 0.34	$ 0.12	-	-	-
2007	321001	Multifamily All Zones 15% Above AB970	187	15	0.26	0.8	18	49	$ 200.00	$ 294.01	10	7,313	593
2007	321002	Whole Bldg - Th	-	1	-	0.8212	15	245,306	$ 0.49	$ 3.42	-	-	201,445
2007	321003	Whole Bldg - Elec	1	-	0.00	0.8212	15	-	$ -	$ 0.12	-	-	-
2008	321001	Multifamily All Zones 15% Above AB970	187	15	0.26	0.8	18	-	$ 200.00	$ 294.01	-	-	-
2008	321002	Whole Bldg - Th	-	1	-	0.8212	15	-	$ 1.23	$ 3.42	-	-	-
2008	321003	Whole Bldg - Elec	1	-	0.00	0.8212	15	-	$ 0.34	$ 0.12	-	-	-

2006-2008 Energy Efficiency Concept Paper
Advanced Home Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 161,336	$ 165,997	$ 170,796
Overhead	$ 107,143	$ 142,857	$ 166,667
Direct Implementation			
Financial Incentives	$ 615,000	$ 768,750	$ 510,500
Activity	$ 1,078,886	$ 1,133,308	$ 1,167,307
Installation	$ -	$ -	$ -
Hardware & Materials	$ 79,822	$ 577,689	$ 1,273,330
Rebate Processing and Inspection	$ 96,413	$ 100,000	$ 100,000
Marketing			
Program Specific Marketing	$ 111,400	$ 111,400	$ 111,400
Statewide Marketing			
Total Program Budget	**$ 2,250,000**	**$ 3,000,000**	**$ 3,500,000**

Projected Additional Funding Sources

In addition to the funds identified in the budget above funding for Advanced Home direct implementation will come from other programs and/or organization listed below.

Organization/Program	2006	2007	2008
CEC Zero Energy Home Program, Department of Energy Programs, Water Conservation Programs, Emerging Technologies Programs,			
Total Additional Funding	$ 1,000,000	$ 2,000,000	$ 3,000,000
Total Projected Program Budget	**$ 3,250,000**	**$ 5,000,000**	**$ 6,500,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
2,020	1,842,839	73,441	2,547	2,323,297	89,249	1,610	1,468,380	57,799

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The Advanced Home program promotes a comprehensive residential new construction concept with a cross-cutting focus to sustainable design and construction, green building practices and emerging technologies. Through a combination of education, design assistance and financial support, the program works with the building and related industries to exceed compliance with the California Building Energy Efficiency Standards (Standards), to prepare builders for future changes in the Standards and to create future pathways to go beyond compliance and traditional energy savings objectives. This will be

accomplished through demonstration pilot projects, building performance and specific measures.

The program will review energy saving technologies to be incorporated in numerous demonstration projects. These projects will incorporate emerging energy savings technologies and low-impact construction practices. To provide continuity, the program will continue to support the California ENERGY STAR® New Homes Program through a performance-based element. The program will also encourages efficient heating, cooling, water heating system and building envelope design and installation through the support of specific measures. This innovative program will coordinate a variety of market opportunities and explore potentials from other programs to support the program concepts. The program will interact on a statewide basis to share best practices but will be implemented locally by the utility.

5. Program Statement

Residential new construction has been recognized as a rich ground for the promotion of new technologies, experimentation and analysis and has been the spawning ground for numerous technologies now considered mainstream in the vast retrofit market such as high performance low-e windows, high performance water heaters and heating, ventilation and air conditioning (HVAC) systems. Many builders would like to explore further these and other technologies and innovations in their building designs but require guidance and assistance to prevent lost opportunities. For effective use and maximum performance of many of these technologies, such as photovoltaic and alternative water and space heating applications, energy efficiency of the dwelling unit must be taken to a higher level requiring building design and construction to incorporate the efficiency measures promoted by the program.

What's New for 2006-2008?

- Innovative
  - Promote Emerging Technologies
  - Encourage a higher level of energy efficiency
- Integration
  - Utilize Sustainable Design and Green Building Practices
- Program Improvement
  - Measures to address HVAC and Envelope Improvements

The program will engage and partner with other programs inside and outside of the utility to help bring emerging technologies to the market place in the most cost effective way to overcome some of the economic barriers associated with pushing the technical envelope in residential new construction. With a multitude of elements available for evaluation, both envelope and mechanical, there are many approaches available for implementation. Once explored, incorporated and exhibited, these elements will demonstrate the potential to become utilized and mainstreamed in residential construction.

6. Program Rationale

There is a need for comprehensive programs that address residential construction by incorporating the best practices of existing new construction programs, mainstream and emerging technologies and construction techniques. Such programs should place importance on conservation, a high quality urban and suburban life and the enhancement of natural areas. Further, the search for reducing grid and source energy consumption must lead to new approaches in demand side management, such as the coordination with demand

response programs, water conservation efforts and the use of construction materials and practices.

The Advanced Home Program will address these needs and the needs of the builder for guidance in the incorporation of technology through training and design assistance. Further, through the use of financial support the builder will be able to explore technologies avoided due to any cost barriers. By incorporating products and practices not often seen as mainstream, such as photovoltaics, into single and multi-family new home design, opportunities for product suppliers, architects, designers, builders, contractors and others will surface to increase product awareness, utilization and as a result, lower costs. This more targeted approach to specific design solutions offers an opportunity to focus on technology solutions that are often ignored in performance based programs. Addressing more specific measures allows the builder to focus their attention on systems that may otherwise be ignored. The program implementation period also aligns with the Standard revisions and allows for the opportunity to prepare builders for the next cycle of changes.

7. Program Outcomes

The program will focus on four major activities, demonstration projects, measures that increase the performance of building systems, overall building design that exceeds minimum compliance with the Standards and industry education. The demonstration projects will focus on emerging technologies some of which will be identified through the Statewide Emerging Technologies Program. The measures will address HVAC design, installation and verification, proper insulation installation and water heating system design. Industry education will support the changes to the Standards and the program technologies.

8. Program Strategy

The program will target single and multi-family builders whose projects will maximize energy savings and generate significant industry and homebuyer interest. The program will bring a renewed focus to emerging technologies and their incorporation into design and practice in residential new construction. Through site demonstration projects, the program will explore the evaluation and incorporation of these elements.

- Sustainable project sites
- Energy efficiency: efficient thermal envelopes, efficient space cooling, heating and water heating systems, alternatives to central Air Conditioning such as night ventilation, cool roofs, lighting and appliances
- Increased levels of energy performance above the minimum Standards
- Water efficiency
- Materials and resource, waste reduction and efficient use of materials
- Renewable energy such as photovoltaic systems
- Indoor environmental quality
- Operations and maintenance

The Utility will act as program advisor and provide technical assistance to the design team for their projects. Through direct contact with the market actors, architects, energy analysts and the building industry, the program works to incorporate emerging and innovative technologies in the early stages of product design.

To the extent possible, the program has been designed to include continued participation of projects meeting the California Energy Star® New Homes Program requirements. This activity will prevent lost opportunities for participation from the building industry. The program intents to continue to provide support to encourage high performance single family and multi-family building design to exceed the 2005 Standards in an overall performance design of 15% or greater.

The program will also address the heating, cooling and water heating design and installation in residential construction. Through direct contact with the building industry and the market actors, greater efficiency in HVAC design and operation will be achieved through the incorporation of the following practices in construction:

- **Maximum Cooling Capacity**

The program will requires that air conditioners are sized according to the Alternative Compliance Method (ACM) methodology and the requirements for the combination of adequate air flow, duct sealing and improved refrigerant charge or TXV are met.

- **Verified Ducting System**

The program will requires that duct systems are sealed and diagnostic testing is performed to verify that leakage is less than the specified criteria.

- **Insulation Quality Installation**

Insulation installation has been an area of concern and is currently addressed in the 2005 Standards. To support the California Energy Commission, the building industry and the installation trades the program will offer assistance to improve the overall quality of the insulation installation and meet the California Energy Commission protocols for installation and field verification.

- **Tankless Water Heaters**

Tankless water heaters are an emerging technology that currently have been underutilized in the marketplace. To support this technology, the program will encourage its incorporation in residential new construction.

Specific measures to be installed will be driven by the product type, design progress and appropriateness of measures to be incorporated. To allow flexibility in program design and implementation, program measures may be added or removed as changes take place in the industry, new technologies become available or market place demand warrants.

9. Program Objectives

The program objectives are to increase the energy efficiency of residential new construction and offer additional opportunities for builders to explore new solutions to creating an energy efficient building. The goals of the program are to examine a portfolio of energy saving technologies and low-impact construction practices to be incorporated in various demonstration projects. Optimized energy performance above the prerequisite standards will be incorporated in the building design to reduce environmental impacts associated with excessive energy use. The program energy savings will be evaluated from the diversity of measures utilized by the building industry and the overall energy performance.

This innovative program is intended to coordinate a variety of market opportunities in an extensive venture to make the next leap into residential energy efficiency in new construction. The concept for this program is for the utility to lead builders through a myriad of utility and governmental programs to bring added funding and support to expanding energy efficiency in single and multifamily new home construction in California. The utility plans to request funding for this program well beyond this proceeding. Anticipated additional sources of funding outside of this residential new construction program include:

- One Million Solar Roof Initiative
- California Energy Commission's Zero Energy New Homes Program
- Department of Energy Programs
- Utility Demand Response Programs
- Utility Self Generation Programs
- Utility Emerging Technology Programs
- Utility Codes and Standards Programs
- Portfolio fund shifting per the Public Utilities Commission (CPUC) decision

10. Program Implementation

The program is implemented through direct contact with the market actors, architects, mechanical engineers, energy analysts, home energy rating system (HERS) providers, HERS raters and the building industry. The program provides design assistance, education and training to these actors on the changes to the Standards, HVAC system design and methods to meet program requirements. Through design assistance and coordination with the builder and their consultants and contractors, projects will be evaluated for the most suitable approach to increasing energy savings.

The program will seek to collaborate with the California Energy Commission and other agencies in support of statewide goals such as the increased installation of photovoltaic and HVAC quality installation and verification and locally with agencies such as water departments, municipalities, and others to promote water conservation and energy efficiency. To assist the builder in achieving these goals, design assistance, technical and field support and financial support will be offered.

Joining utility program partners, such as Emerging Technology, Codes and Standards and building industry partners, the program will work with the building community to identify potential projects and locations for the incorporation of the program philosophy to create demonstration projects highlighting diverse technologies, not widely accepted or employed. Through a partnership with the United States Green Building Council (USGBC) the utility will interact to promote the LEED (Leadership in Energy and Environmental Design) Green Building Rating System® concept. The USGBC has developed a LEED for Homes Program that is currently in the demonstration pilot phase. The utility will work with USGBC to incorporate the LEED concepts into the demonstration projects.

Residential new construction program management has extensive experience in designing and implementing successful offerings to the building industry. Recognized as an outstanding energy efficiency resource, this team has the ability to successfully work

closely with other local, regional, statewide and national stakeholders to insure the widest opportunities for potential program participants.

11. Customer Description

The program will target the design and construction team; 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

12. Customer Interface

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.

13. Energy Measures and Program Activities – see worksheet

13.1. **Prescriptive Measures**

See SoCalGas une1, 2005 Filing Workbook

13.2. **kWh Level**

See SoCalGas une1, 2005 Filing Workbook

13.3. **Non-Energy Activities**

All market actors involved in building construction both new and retrofit.

Education and training courses will support the program concepts and will cover a number of construction and design issues, such as the 2005 Energy Efficiency Standards, Proper HVAC sizing, Ducting System Design, Uniform Mechanical Code, and Standards compliance modeling.
The current education and training classes have proven extremely successful and well received with attendance increasing each year. The program will continue this offering with an expanded curriculum focusing on emerging technologies and HVAC systems.

13.4. **Subcontractor Activities**

The program will coordinate many of the program activities with subcontractors. The education and training courses will be prepared under the utility supervision and presented by key figures in energy efficiency, HVAC systems and Energy Standards implementation. HERS Raters will be engaged by the utility to provide field verification of measure installation.

13.5. **Quality Assurance and Evaluation Activities**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs

13.6. **Marketing Activities**

The program will be marketed directly to the building industry and the related market actors. Additional marketing activities will be explored through conference presentations and building and other industry meetings.

14. Conclusion

The Advanced Home Program offers residential new construction programs an opportunity to evolve to a new level. Supporting technological changes in construction will increase not only energy savings but provide a more comfortable environment for the residential occupant. Through the demonstration projects, supported financial from the utility and other resources, sustainable design and emerging technologies can be explored and exhibited, providing increased educational opportunities to builders.

The program will support overall building performance and encourage proper HVAC design, installation and verification. Additionally, the program will address the proper installation of insulation and promote improved water heating systems through the installation of tank less water heaters. These elements will be supported through a financial incentive to the builder.

	SCG3502 EED4-Advanced Home Program	
BUDGET		
Administrative Costs	**$**	**914,796**
Overhead and G&A	$	416,667
Other Administrative Costs	$	498,129
Marketing/Outreach	**$**	**334,200**
Direct Implementation	**$**	**7,501,004**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	1,894,250
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	3,379,500
Installation	$	-
Hardware & Materials	$	1,930,841
Rebate Processing & Inspection	$	296,413
EM&V Costs	**$**	-
Budget	**$**	**8,750,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**8,750,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		6,177
Net NCP (kW)		6,177
Net CEC (kW)		1,223
Annual Net kWh		5,634,516
Lifecycle Net kWh		95,480,420
Annual Net Therms		220,489
Lifecycle Net Therms		3,924,775
Cost Effectiveness		
TRC		
Costs	$	8,986,791
Electric Benefits	$	9,209,253
Gas Benefits	$	1,676,171
Net Benefits (NPV)	$	1,898,633
BC Ratio		1.21
PAC		
Costs	$	8,576,432
Electric Benefits	$	9,209,253
Gas Benefits	$	1,676,171
Net Benefits (NPV)	$	2,308,992
BC Ratio		1.27
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		51,639,586
Cost	$	0.1441
Benefits	$	0.1783
Benefit-Cost	$	0.0343
Levelized Cost PAC ($/kWh)		
Discounted kWh		51,639,586
Cost	$	0.1380
Benefits	$	0.1783
Benefit-Cost	$	0.0403
Levelized Cost TRC ($/therm)		
Discounted Therms		2,073,161
Cost	$	0.7463
Benefits	$	0.8085
Benefit-Cost	$	0.0622
Levelized Cost PAC ($/therm)		
Discounted Therms		2,073,161
Cost	$	0.6991
Benefits	$	0.8085
Benefit-Cost	$	0.1094

SOCALGAS Advanced Home Program

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 2,250,000	$ 615,000	$ 1,635,000	1,842,839	73,441	2,020
2007	$ 3,000,000	$ 768,750	$ 2,231,250	2,323,297	89,249	2,547
2008	$ 3,500,000	$ 510,500	$ 2,989,500	1,468,380	57,799	1,610

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	316003	Single Family, Maximum Cooling Capacity, CZ 4	98	35	0.11	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2006	316004	Single Family, Maximum Cooling Capacity, CZ 5	40	35	0.04	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2006	316005	Single Family, Maximum Cooling Capacity, CZ 6	29	14	0.03	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2006	316006	Single Family, Maximum Cooling Capacity, CZ 7	59	11	0.06	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2006	316007	Single Family, Maximum Cooling Capacity, CZ 8	246	13	0.27	0.8	Dwelling Unit	15	400	$ 150.00	$ 225.00	86	78,766	4,285
2006	316008	Single Family, Maximum Cooling Capacity, CZ 9	499	15	0.55	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2006	316009	Single Family, Maximum Cooling Capacity, CZ 10	938	21	1.03	0.8	Dwelling Unit	15	500	$ 150.00	$ 225.00	411	375,244	8,246
2006	316010	Single Family, Maximum Cooling Capacity, CZ 13	1,386	37	1.52	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2006	316011	Single Family, Maximum Cooling Capacity, CZ 14	1,694	61	1.86	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2006	316012	Single Family, Maximum Cooling Capacity, CZ 15	4,364	10	4.78	0.8	Dwelling Unit	15	100	$ 150.00	$ 225.00	383	349,080	789
2006	316013	Single Family, Verified Ducting System, CZ 4	43	35	0.05	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2006	316014	Single Family, Verified Ducting System, CZ 5	19	35	0.02	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2006	316015	Single Family, Verified Ducting System, CZ 6	12	14	0.01	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2006	316016	Single Family, Verified Ducting System, CZ 7	22.375	10.9	0.024528015	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2006	316017	Single Family, Verified Ducting System, CZ 8	111.885	13.39	0.122651035	0.8	Dwelling Unit	18	750	$ 100.00	$ 125.00	74	67,131	8,034
2006	316018	Single Family, Verified Ducting System, CZ 9	271.965	14.975	0.298134592	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2006	316019	Single Family, Verified Ducting System, CZ 10	543.93	20.615	0.596269184	0.8	Dwelling Unit	18	500	$ 100.00	$ 125.00	239	217,572	8,246

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	316020	Single Family, Verified Ducting System, CZ 13	824.505	37.18	0.903842266	0.8	Dwelling Unit	15		$ 100.00	$ 125.00	-	-	-
2006	316021	Single Family, Verified Ducting System, CZ 14	1096.47	60.965	1.201976857	0.8	Dwelling Unit	15		$ 100.00	$ 125.00	-	-	-
2006	316022	Single Family, Verified Ducting System, CZ 15	2874.58	9.865	3.151183922	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2006	316023	Single Family, Quality Insulation Installation, CZ 4	96.39	52.51	0.105665043	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2006	316024	Single Family, Quality Insulation Installation, CZ 5	37.87	57.09	0.041514007	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2006	316025	Single Family, Quality Insulation Installation, CZ 6	24.1	29.95	0.026419001	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2006	316026	Single Family, Quality Insulation Installation, CZ 7	65.41	25.73	0.071704019	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2006	316027	Single Family, Quality Insulation Installation, CZ 8	182.46	27.84	0.200017052	0.8	Dwelling Unit	20	300	$ 175.00	$ 300.00	48	43,790	6,682
2006	316028	Single Family, Quality Insulation Installation, CZ 9	254.75	14.45	0.279263094	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2006	316029	Single Family, Quality Insulation Installation, CZ 10	468.19	38.41	0.513241169	0.8	Dwelling Unit	20	500	$ 175.00	$ 300.00	205	187,276	15,364
2006	316030	Single Family, Quality Insulation Installation, CZ 13	547.37	52.16	0.600040195	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2006	316031	Single Family, Quality Insulation Installation, CZ 14	647.21	73.65	0.709487211	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2006	316032	Single Family, Quality Insulation Installation, CZ 15	1270.32	20.79	1.39255542	0.8	Dwelling Unit	20	200	$ 175.00	$ 300.00	223	203,251	3,326
2006	316033	Single Family, Tank Less Water Heater, CZ 4	-	$ 79.99	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316034	Single Family, Tank Less Water Heater, CZ 5	-	$ 81.05	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316035	Single Family, Tank Less Water Heater, CZ 6	-	$ 85.63	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316036	Single Family, Tank Less Water Heater, CZ 7	-	$ 85.28	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316037	Single Family, Tank Less Water Heater, CZ 8	-	$ 84.22	$ -	0.8	Dwelling Unit	15	100	$ 200.00	$ 325.00	-	-	6,738
2006	316038	Single Family, Tank Less Water Heater, CZ 9	-	$ 83.52	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316039	Single Family, Tank Less Water Heater, CZ 10	-	$ 83.52	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316040	Single Family, Tank Less Water Heater, CZ 13	-	$ 75.41	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316041	Single Family, Tank Less Water Heater, CZ 14	-	$ 85.63	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	316042	Single Family, Tank Less Water Heater, CZ 15	-	$ 73.65	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316043	Single Family, Air Conditioner EER, CZ 4	22	$ -	$ 0.06	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316044	Single Family, Air Conditioner EER, CZ 5	2	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316045	Single Family, Air Conditioner EER, CZ 6	-	$ -	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316046	Single Family, Air Conditioner EER, CZ 7	3	$ -	$ 0.01	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316047	Single Family, Air Conditioner EER, CZ 8	74	$ -	$ 0.19	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316048	Single Family, Air Conditioner EER, CZ 9	198	$ -	$ 0.50	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316049	Single Family, Air Conditioner EER, CZ 10	460	$ -	$ 1.16	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316050	Single Family, Air Conditioner EER, CZ 13	790	$ -	$ 1.99	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316051	Single Family, Air Conditioner EER, CZ 14	878	$ -	$ 2.21	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316052	Single Family, Air Conditioner EER, CZ 15	2,405	$ -	$ 6.03	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316053	Multi-family, Maximum Cooling Capacity, CZ 4	44	$ 13.43	$ 0.05	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2006	316054	Multi-family, Maximum Cooling Capacity, CZ 5	10	$ 13.73	$ 0.01	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2006	316055	Multi-family, Maximum Cooling Capacity, CZ 6	10	$ 5.68	$ 0.01	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2006	316056	Multi-family, Maximum Cooling Capacity, CZ 7	29	$ 4.53	$ 0.03	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2006	316057	Multi-family, Maximum Cooling Capacity, CZ 8	123	$ 5.52	$ 0.13	0.8	Dwelling Unit	15	250	$ 100.00	$ 150.00	27	24,582	1,104
2006	316058	Multi-family, Maximum Cooling Capacity, CZ 9	243	$ 6.14	$ 0.27	0.8	Dwelling Unit	15	100	$ 100.00	$ 150.00	21	19,426	491
2006	316059	Multi-family, Maximum Cooling Capacity, CZ 10	437	$ 8.75	$ 0.48	0.8	Dwelling Unit	15	345	$ 100.00	$ 150.00	132	120,593	2,415
2006	316060	Multi-family, Maximum Cooling Capacity, CZ 13	606	$ 14.58	$ 0.66	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2006	316061	Multi-family, Maximum Cooling Capacity, CZ 14	745	$ 24.63	$ 0.82	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2006	316062	Multi-family, Maximum Cooling Capacity, CZ 15	1,791	$ 4.30	$ 1.96	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2006	316063	Multi-family, Verified Ducting System, CZ 4	21	$ 13.43	$ 0.02	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	316064	Multi-family, Verified Ducting System, CZ 5	5	$ 13.73	$ 0.00	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2006	316065	Multi-family, Verified Ducting System, CZ 6	5	$ 5.68	$ 0.00	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2006	316066	Multi-family, Verified Ducting System, CZ 7	13	$ 4.53	$ 0.01	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2006	316067	Multi-family, Verified Ducting System, CZ 8	60	$ 5.52	$ 0.07	0.8	Dwelling Unit	18	200	$ 60.00	$ 100.00	11	9,594	883
2006	316068	Multi-family, Verified Ducting System, CZ 9	137	$ 6.14	$ 0.15	0.8	Dwelling Unit	18	200	$ 60.00	$ 100.00	24	21,944	982
2006	316069	Multi-family, Verified Ducting System, CZ 10	259	$ 8.75	$ 0.28	0.8	Dwelling Unit	18	400	$ 60.00	$ 100.00	91	82,979	2,800
2006	316070	Multi-family, Verified Ducting System, CZ 13	360	$ 14.58	$ 0.40	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2006	316071	Multi-family, Verified Ducting System, CZ 14	483	$ 24.63	$ 0.53	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2006	316072	Multi-family, Verified Ducting System, CZ 15	1,164	$ 4.30	$ 1.28	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2006	316073	Multi-family, High Quality Insulation Installation, CZ 4	34	$ 11.12	$ 0.04	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316074	Multi-family, High Quality Insulation Installation, CZ 5	12	$ 11.89	$ 0.01	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316075	Multi-family, High Quality Insulation Installation, CZ 6	10	$ 5.91	$ 0.01	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316076	Multi-family, High Quality Insulation Installation, CZ 7	22	$ 5.14	$ 0.02	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316077	Multi-family, High Quality Insulation Installation, CZ 8	57	$ 5.52	$ 0.06	0.8	Dwelling Unit	20	250	$ 50.00	$ 100.00	12	11,392	1,104
2006	316078	Multi-family, High Quality Insulation Installation, CZ 9	95	$ 6.06	$ 0.10	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316079	Multi-family, High Quality Insulation Installation, CZ 10	126	$ 8.13	$ 0.14	0.8	Dwelling Unit	20	300	$ 50.00	$ 100.00	33	30,218	1,951
2006	316080	Multi-family, High Quality Insulation Installation, CZ 13	140	$ 11.20	$ 0.15	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316081	Multi-family, High Quality Insulation Installation, CZ 14	160	$ 15.57	$ 0.17	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316082	Multi-family, High Quality Insulation Installation, CZ 15	304	$ 4.22	$ 0.33	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2006	316083	Multi-family, Tank Less Water Heater, CZ 4	-	$ 13.89	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316084	Multi-family, Tank Less Water Heater, CZ 5	-	$ 13.96	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316085	Multi-family, Tank Less Water Heater, CZ 6	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	316086	Multi-family, Tank Less Water Heater, CZ 7	-	$ 15.50	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316087	Multi-family, Tank Less Water Heater, CZ 8	-	$ 15.34	$ -	0.8	Dwelling Unit	13		$ 200.00	$ 325.00	-	-	-
2006	316088	Multi-family, Tank Less Water Heater, CZ 9	-	$ 15.27	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316089	Multi-family, Tank Less Water Heater, CZ 10	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316090	Multi-family, Tank Less Water Heater, CZ 13	-	$ 13.81	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316091	Multi-family, Tank Less Water Heater, CZ 14	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316092	Multi-family, Tank Less Water Heater, CZ 15	-	$ 14.81	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2006	316093	Multi-family, Air Conditioner EER, CZ 4	10	$ -	$ 0.01	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316094	Multi-family, Air Conditioner EER, CZ 5	1	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316095	Multi-family, Air Conditioner EER, CZ 6	-	$ -	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316096	Multi-family, Air Conditioner EER, CZ 7	2	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316097	Multi-family, Air Conditioner EER, CZ 8	42	$ -	$ 0.05	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316098	Multi-family, Air Conditioner EER, CZ 9	109	$ -	$ 0.14	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316099	Multi-family, Air Conditioner EER, CZ 10	233	$ -	$ 0.29	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316100	Multi-family, Air Conditioner EER, CZ 13	363	$ -	$ 0.46	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316101	Multi-family, Air Conditioner EER, CZ 14	406	$ -	$ 0.51	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2006	316102	Multi-family, Air Conditioner EER, CZ 15	1,036	$ -	$ 1.30	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316003	Single Family, Maximum Cooling Capacity, CZ 4	98	$ 34.54	$ 0.11	0.8	Dwelling Unit	15	0	$ 150.00	$ 225.00	-	-	-
2007	316004	Single Family, Maximum Cooling Capacity, CZ 5	40	$ 34.54	$ 0.04	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2007	316005	Single Family, Maximum Cooling Capacity, CZ 6	29	$ 13.57	$ 0.03	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2007	316006	Single Family, Maximum Cooling Capacity, CZ 7	59	$ 10.93	$ 0.06	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2007	316007	Single Family, Maximum Cooling Capacity, CZ 8	246	$ 13.39	$ 0.27	0.8	Dwelling Unit	15	500	$ 150.00	$ 225.00	108	98,458	5,356

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	316008	Single Family, Maximum Cooling Capacity, CZ 9	499	$ 14.98	$ 0.55	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2007	316009	Single Family, Maximum Cooling Capacity, CZ 10	938	$ 20.62	$ 1.03	0.8	Dwelling Unit	15	600	$ 150.00	$ 225.00	494	450,293	9,895
2007	316010	Single Family, Maximum Cooling Capacity, CZ 13	1,386	$ 37.18	$ 1.52	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2007	316011	Single Family, Maximum Cooling Capacity, CZ 14	1,694	$ 60.97	$ 1.86	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2007	316012	Single Family, Maximum Cooling Capacity, CZ 15	4,364	$ 9.87	$ 4.78	0.8	Dwelling Unit	15	150	$ 150.00	$ 225.00	574	523,621	1,184
2007	316013	Single Family, Verified Ducting System, CZ 4	43	$ 34.54	$ 0.05	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2007	316014	Single Family, Verified Ducting System, CZ 5	19	$ 34.54	$ 0.02	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2007	316015	Single Family, Verified Ducting System, CZ 6	12	$ 13.57	$ 0.01	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2007	316016	Single Family, Verified Ducting System, CZ 7	22	$ 10.90	$ 0.02	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2007	316017	Single Family, Verified Ducting System, CZ 8	112	$ 13.39	$ 0.12	0.8	Dwelling Unit	18	1000	$ 100.00	$ 125.00	98	89,508	10,712
2007	316018	Single Family, Verified Ducting System, CZ 9	272	$ 14.98	$ 0.30	0.8	Dwelling Unit	18	100	$ 100.00	$ 125.00	24	21,757	1,198
2007	316019	Single Family, Verified Ducting System, CZ 10	544	$ 20.62	$ 0.60	0.8	Dwelling Unit	18	600	$ 100.00	$ 125.00	286	261,086	9,895
2007	316020	Single Family, Verified Ducting System, CZ 13	825	$ 37.18	$ 0.90	0.8	Dwelling Unit	15		$ 100.00	$ 125.00	-	-	-
2007	316021	Single Family, Verified Ducting System, CZ 14	1,096	$ 60.97	$ 1.20	0.8	Dwelling Unit	15		$ 100.00	$ 125.00	-	-	-
2007	316022	Single Family, Verified Ducting System, CZ 15	2,875	$ 9.87	$ 3.15	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2007	316023	Single Family, Quality Insulation Installation, CZ 4	96	$ 52.51	$ 0.11	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2007	316024	Single Family, Quality Insulation Installation, CZ 5	38	$ 57.09	$ 0.04	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2007	316025	Single Family, Quality Insulation Installation, CZ 6	24	$ 29.95	$ 0.03	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2007	316026	Single Family, Quality Insulation Installation, CZ 7	65	$ 25.73	$ 0.07	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2007	316027	Single Family, Quality Insulation Installation, CZ 8	182	$ 27.84	$ 0.20	0.8	Dwelling Unit	20	400	$ 175.00	$ 300.00	64	58,387	8,909
2007	316028	Single Family, Quality Insulation Installation, CZ 9	255	$ 14.45	$ 0.28	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2007	316029	Single Family, Quality Insulation Installation, CZ 10	468	$ 38.41	$ 0.51	0.8	Dwelling Unit	20	500	$ 175.00	$ 300.00	205	187,276	15,364

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	316030	Single Family, Quality Insulation Installation, CZ 13	547	$ 52.16	$ 0.60	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2007	316031	Single Family, Quality Insulation Installation, CZ 14	647	$ 73.65	$ 0.71	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2007	316032	Single Family, Quality Insulation Installation, CZ 15	1,270	$ 20.79	$ 1.39	0.8	Dwelling Unit	20	200	$ 175.00	$ 300.00	223	203,251	3,326
2007	316033	Single Family, Tank Less Water Heater, CZ 4	-	$ 79.99	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316034	Single Family, Tank Less Water Heater, CZ 5	-	$ 81.05	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316035	Single Family, Tank Less Water Heater, CZ 6	-	$ 85.63	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316036	Single Family, Tank Less Water Heater, CZ 7	-	$ 85.28	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316037	Single Family, Tank Less Water Heater, CZ 8	-	$ 84.22	$ -	0.8	Dwelling Unit	15	100	$ 200.00	$ 325.00	-	-	6,738
2007	316038	Single Family, Tank Less Water Heater, CZ 9	-	$ 83.52	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316039	Single Family, Tank Less Water Heater, CZ 10	-	$ 83.52	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316040	Single Family, Tank Less Water Heater, CZ 13	-	$ 75.41	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316041	Single Family, Tank Less Water Heater, CZ 14	-	$ 85.63	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316042	Single Family, Tank Less Water Heater, CZ 15	-	$ 73.65	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316043	Single Family, Air Conditioner EER, CZ 4	22	$ -	$ 0.06	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316044	Single Family, Air Conditioner EER, CZ 5	2	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316045	Single Family, Air Conditioner EER, CZ 6	-	$ -	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316046	Single Family, Air Conditioner EER, CZ 7	3	$ -	$ 0.01	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316047	Single Family, Air Conditioner EER, CZ 8	74	$ -	$ 0.19	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316048	Single Family, Air Conditioner EER, CZ 9	198	$ -	$ 0.50	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316049	Single Family, Air Conditioner EER, CZ 10	460	$ -	$ 1.16	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316050	Single Family, Air Conditioner EER, CZ 13	790	$ -	$ 1.99	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316051	Single Family, Air Conditioner EER, CZ 14	878	$ -	$ 2.21	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	316052	Single Family, Air Conditioner EER, CZ 15	2,405	$ -	$ 6.03	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316053	Multi-family, Maximum Cooling Capacity, CZ 4	44	$ 13.43	$ 0.05	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2007	316054	Multi-family, Maximum Cooling Capacity, CZ 5	10	$ 13.73	$ 0.01	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2007	316055	Multi-family, Maximum Cooling Capacity, CZ 6	10	$ 5.68	$ 0.01	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2007	316056	Multi-family, Maximum Cooling Capacity, CZ 7	29	$ 4.53	$ 0.03	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2007	316057	Multi-family, Maximum Cooling Capacity, CZ 8	123	$ 5.52	$ 0.13	0.8	Dwelling Unit	15	250	$ 100.00	$ 150.00	27	24,582	1,104
2007	316058	Multi-family, Maximum Cooling Capacity, CZ 9	243	$ 6.14	$ 0.27	0.8	Dwelling Unit	15	100	$ 100.00	$ 150.00	21	19,426	491
2007	316059	Multi-family, Maximum Cooling Capacity, CZ 10	437	$ 8.75	$ 0.48	0.8	Dwelling Unit	15	400	$ 100.00	$ 150.00	153	139,818	2,800
2007	316060	Multi-family, Maximum Cooling Capacity, CZ 13	606	$ 14.58	$ 0.66	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2007	316061	Multi-family, Maximum Cooling Capacity, CZ 14	745	$ 24.63	$ 0.82	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2007	316062	Multi-family, Maximum Cooling Capacity, CZ 15	1,791	$ 4.30	$ 1.96	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2007	316063	Multi-family, Verified Ducting System, CZ 4	21	$ 13.43	$ 0.02	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2007	316064	Multi-family, Verified Ducting System, CZ 5	5	$ 13.73	$ 0.00	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2007	316065	Multi-family, Verified Ducting System, CZ 6	5	$ 5.68	$ 0.00	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2007	316066	Multi-family, Verified Ducting System, CZ 7	13	$ 4.53	$ 0.01	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2007	316067	Multi-family, Verified Ducting System, CZ 8	60	$ 5.52	$ 0.07	0.8	Dwelling Unit	18	400	$ 60.00	$ 100.00	21	19,187	1,766
2007	316068	Multi-family, Verified Ducting System, CZ 9	137	$ 6.14	$ 0.15	0.8	Dwelling Unit	18	400	$ 60.00	$ 100.00	48	43,888	1,965
2007	316069	Multi-family, Verified Ducting System, CZ 10	259	$ 8.75	$ 0.28	0.8	Dwelling Unit	18	600	$ 60.00	$ 100.00	136	124,469	4,200
2007	316070	Multi-family, Verified Ducting System, CZ 13	360	$ 14.58	$ 0.40	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2007	316071	Multi-family, Verified Ducting System, CZ 14	483	$ 24.63	$ 0.53	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2007	316072	Multi-family, Verified Ducting System, CZ 15	1,164	$ 4.30	$ 1.28	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2007	316073	Multi-family, High Quality Insulation Installation, CZ 4	34	$ 11.12	$ 0.04	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	316074	Multi-family, High Quality Insulation Installation, CZ 5	12	$ 11.89	$ 0.01	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2007	316075	Multi-family, High Quality Insulation Installation, CZ 6	10	$ 5.91	$ 0.01	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2007	316076	Multi-family, High Quality Insulation Installation, CZ 7	22	$ 5.14	$ 0.02	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2007	316077	Multi-family, High Quality Insulation Installation, CZ 8	57	$ 5.52	$ 0.06	0.8	Dwelling Unit	20	395	$ 50.00	$ 100.00	20	17,999	1,744
2007	316078	Multi-family, High Quality Insulation Installation, CZ 9	95	$ 6.06	$ 0.10	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2007	316079	Multi-family, High Quality Insulation Installation, CZ 10	126	$ 8.13	$ 0.14	0.8	Dwelling Unit	20	400	$ 50.00	$ 100.00	44	40,291	2,602
2007	316080	Multi-family, High Quality Insulation Installation, CZ 13	140	$ 11.20	$ 0.15	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2007	316081	Multi-family, High Quality Insulation Installation, CZ 14	160	$ 15.57	$ 0.17	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2007	316082	Multi-family, High Quality Insulation Installation, CZ 15	304	$ 4.22	$ 0.33	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2007	316083	Multi-family, Tank Less Water Heater, CZ 4	-	$ 13.89	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316084	Multi-family, Tank Less Water Heater, CZ 5	-	$ 13.96	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316085	Multi-family, Tank Less Water Heater, CZ 6	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316086	Multi-family, Tank Less Water Heater, CZ 7	-	$ 15.50	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316087	Multi-family, Tank Less Water Heater, CZ 8	-	$ 15.34	$ -	0.8	Dwelling Unit	13		$ 200.00	$ 325.00	-	-	-
2007	316088	Multi-family, Tank Less Water Heater, CZ 9	-	$ 15.27	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316089	Multi-family, Tank Less Water Heater, CZ 10	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316090	Multi-family, Tank Less Water Heater, CZ 13	-	$ 13.81	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316091	Multi-family, Tank Less Water Heater, CZ 14	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316092	Multi-family, Tank Less Water Heater, CZ 15	-	$ 14.81	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2007	316093	Multi-family, Air Conditioner EER, CZ 4	10	$ -	$ 0.01	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316094	Multi-family, Air Conditioner EER, CZ 5	1	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316095	Multi-family, Air Conditioner EER, CZ 6	-	$ -	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2007	316096	Multi-family, Air Conditioner EER, CZ 7	2	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316097	Multi-family, Air Conditioner EER, CZ 8	42	$ -	$ 0.05	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316098	Multi-family, Air Conditioner EER, CZ 9	109	$ -	$ 0.14	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316099	Multi-family, Air Conditioner EER, CZ 10	233	$ -	$ 0.29	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316100	Multi-family, Air Conditioner EER, CZ 13	363	$ -	$ 0.46	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316101	Multi-family, Air Conditioner EER, CZ 14	406	$ -	$ 0.51	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2007	316102	Multi-family, Air Conditioner EER, CZ 15	1,036	$ -	$ 1.30	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316003	Single Family, Maximum Cooling Capacity, CZ 4	98	$ 34.54	$ 0.11	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2008	316004	Single Family, Maximum Cooling Capacity, CZ 5	40	$ 34.54	$ 0.04	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2008	316005	Single Family, Maximum Cooling Capacity, CZ 6	29	$ 13.57	$ 0.03	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2008	316006	Single Family, Maximum Cooling Capacity, CZ 7	59	$ 10.93	$ 0.06	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2008	316007	Single Family, Maximum Cooling Capacity, CZ 8	246	$ 13.39	$ 0.27	0.8	Dwelling Unit	15	250	$ 150.00	$ 225.00	54	49,229	2,678
2008	316008	Single Family, Maximum Cooling Capacity, CZ 9	499	$ 14.98	$ 0.55	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2008	316009	Single Family, Maximum Cooling Capacity, CZ 10	938	$ 20.62	$ 1.03	0.8	Dwelling Unit	15	400	$ 150.00	$ 225.00	329	300,195	6,597
2008	316010	Single Family, Maximum Cooling Capacity, CZ 13	1,386	$ 37.18	$ 1.52	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2008	316011	Single Family, Maximum Cooling Capacity, CZ 14	1,694	$ 60.97	$ 1.86	0.8	Dwelling Unit	15		$ 150.00	$ 225.00	-	-	-
2008	316012	Single Family, Maximum Cooling Capacity, CZ 15	4,364	$ 9.87	$ 4.78	0.8	Dwelling Unit	15	50	$ 150.00	$ 225.00	191	174,540	395
2008	316013	Single Family, Verified Ducting System, CZ 4	43	$ 34.54	$ 0.05	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2008	316014	Single Family, Verified Ducting System, CZ 5	19	$ 34.54	$ 0.02	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2008	316015	Single Family, Verified Ducting System, CZ 6	12	$ 13.57	$ 0.01	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2008	316016	Single Family, Verified Ducting System, CZ 7	22	$ 10.90	$ 0.02	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2008	316017	Single Family, Verified Ducting System, CZ 8	112	$ 13.39	$ 0.12	0.8	Dwelling Unit	18	600	$ 100.00	$ 125.00	59	53,705	6,427

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2008	316018	Single Family, Verified Ducting System, CZ 9	272	$ 14.98	$ 0.30	0.8	Dwelling Unit	18	100	$ 100.00	$ 125.00	24	21,757	1,198
2008	316019	Single Family, Verified Ducting System, CZ 10	544	$ 20.62	$ 0.60	0.8	Dwelling Unit	18	400	$ 100.00	$ 125.00	191	174,058	6,597
2008	316020	Single Family, Verified Ducting System, CZ 13	825	$ 37.18	$ 0.90	0.8	Dwelling Unit	15		$ 100.00	$ 125.00	-	-	-
2008	316021	Single Family, Verified Ducting System, CZ 14	1,096	$ 60.97	$ 1.20	0.8	Dwelling Unit	15		$ 100.00	$ 125.00	-	-	-
2008	316022	Single Family, Verified Ducting System, CZ 15	2,875	$ 9.87	$ 3.15	0.8	Dwelling Unit	18		$ 100.00	$ 125.00	-	-	-
2008	316023	Single Family, Quality Insulation Installation, CZ 4	96	$ 52.51	$ 0.11	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2008	316024	Single Family, Quality Insulation Installation, CZ 5	38	$ 57.09	$ 0.04	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2008	316025	Single Family, Quality Insulation Installation, CZ 6	24	$ 29.95	$ 0.03	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2008	316026	Single Family, Quality Insulation Installation, CZ 7	65	$ 25.73	$ 0.07	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2008	316027	Single Family, Quality Insulation Installation, CZ 8	182	$ 27.84	$ 0.20	0.8	Dwelling Unit	20	200	$ 175.00	$ 300.00	32	29,194	4,454
2008	316028	Single Family, Quality Insulation Installation, CZ 9	255	$ 14.45	$ 0.28	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2008	316029	Single Family, Quality Insulation Installation, CZ 10	468	$ 38.41	$ 0.51	0.8	Dwelling Unit	20	300	$ 175.00	$ 300.00	123	112,366	9,218
2008	316030	Single Family, Quality Insulation Installation, CZ 13	547	$ 52.16	$ 0.60	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2008	316031	Single Family, Quality Insulation Installation, CZ 14	647	$ 73.65	$ 0.71	0.8	Dwelling Unit	20		$ 175.00	$ 300.00	-	-	-
2008	316032	Single Family, Quality Insulation Installation, CZ 15	1,270	$ 20.79	$ 1.39	0.8	Dwelling Unit	20	200	$ 175.00	$ 300.00	223	203,251	3,326
2008	316033	Single Family, Tank Less Water Heater, CZ 4	-	$ 79.99	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316034	Single Family, Tank Less Water Heater, CZ 5	-	$ 81.05	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316035	Single Family, Tank Less Water Heater, CZ 6	-	$ 85.63	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316036	Single Family, Tank Less Water Heater, CZ 7	-	$ 85.28	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316037	Single Family, Tank Less Water Heater, CZ 8	-	$ 84.22	$ -	0.8	Dwelling Unit	15	50	$ 200.00	$ 325.00	-	-	3,369
2008	316038	Single Family, Tank Less Water Heater, CZ 9	-	$ 83.52	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316039	Single Family, Tank Less Water Heater, CZ 10	-	$ 83.52	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2008	316040	Single Family, Tank Less Water Heater, CZ 13	-	$ 75.41	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316041	Single Family, Tank Less Water Heater, CZ 14	-	$ 85.63	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316042	Single Family, Tank Less Water Heater, CZ 15	-	$ 73.65	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316043	Single Family, Air Conditioner EER, CZ 4	22	$ -	$ 0.06	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316044	Single Family, Air Conditioner EER, CZ 5	2	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316045	Single Family, Air Conditioner EER, CZ 6	-	$ -	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316046	Single Family, Air Conditioner EER, CZ 7	3	$ -	$ 0.01	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316047	Single Family, Air Conditioner EER, CZ 8	74	$ -	$ 0.19	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316048	Single Family, Air Conditioner EER, CZ 9	198	$ -	$ 0.50	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316049	Single Family, Air Conditioner EER, CZ 10	460	$ -	$ 1.16	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316050	Single Family, Air Conditioner EER, CZ 13	790	$ -	$ 1.99	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316051	Single Family, Air Conditioner EER, CZ 14	878	$ -	$ 2.21	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316052	Single Family, Air Conditioner EER, CZ 15	2,405	$ -	$ 6.03	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316053	Multi-family, Maximum Cooling Capacity, CZ 4	44	$ 13.43	$ 0.05	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2008	316054	Multi-family, Maximum Cooling Capacity, CZ 5	10	$ 13.73	$ 0.01	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2008	316055	Multi-family, Maximum Cooling Capacity, CZ 6	10	$ 5.68	$ 0.01	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2008	316056	Multi-family, Maximum Cooling Capacity, CZ 7	29	$ 4.53	$ 0.03	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2008	316057	Multi-family, Maximum Cooling Capacity, CZ 8	123	$ 5.52	$ 0.13	0.8	Dwelling Unit	15	200	$ 100.00	$ 150.00	22	19,666	883
2008	316058	Multi-family, Maximum Cooling Capacity, CZ 9	243	$ 6.14	$ 0.27	0.8	Dwelling Unit	15	100	$ 100.00	$ 150.00	21	19,426	491
2008	316059	Multi-family, Maximum Cooling Capacity, CZ 10	437	$ 8.75	$ 0.48	0.8	Dwelling Unit	15	300	$ 100.00	$ 150.00	115	104,863	2,100
2008	316060	Multi-family, Maximum Cooling Capacity, CZ 13	606	$ 14.58	$ 0.66	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2008	316061	Multi-family, Maximum Cooling Capacity, CZ 14	745	$ 24.63	$ 0.82	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2008	316062	Multi-family, Maximum Cooling Capacity, CZ 15	1,791	$ 4.30	$ 1.96	0.8	Dwelling Unit	15		$ 100.00	$ 150.00	-	-	-
2008	316063	Multi-family, Verified Ducting System, CZ 4	21	$ 13.43	$ 0.02	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2008	316064	Multi-family, Verified Ducting System, CZ 5	5	$ 13.73	$ 0.00	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2008	316065	Multi-family, Verified Ducting System, CZ 6	5	$ 5.68	$ 0.00	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2008	316066	Multi-family, Verified Ducting System, CZ 7	13	$ 4.53	$ 0.01	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2008	316067	Multi-family, Verified Ducting System, CZ 8	60	$ 5.52	$ 0.07	0.8	Dwelling Unit	18	400	$ 60.00	$ 100.00	21	19,187	1,766
2008	316068	Multi-family, Verified Ducting System, CZ 9	137	$ 6.14	$ 0.15	0.8	Dwelling Unit	18	400	$ 60.00	$ 100.00	48	43,888	1,965
2008	316069	Multi-family, Verified Ducting System, CZ 10	259	$ 8.75	$ 0.28	0.8	Dwelling Unit	18	500	$ 60.00	$ 100.00	114	103,724	3,500
2008	316070	Multi-family, Verified Ducting System, CZ 13	360	$ 14.58	$ 0.40	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2008	316071	Multi-family, Verified Ducting System, CZ 14	483	$ 24.63	$ 0.53	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2008	316072	Multi-family, Verified Ducting System, CZ 15	1,164	$ 4.30	$ 1.28	0.8	Dwelling Unit	18		$ 60.00	$ 100.00	-	-	-
2008	316073	Multi-family, High Quality Insulation Installation, CZ 4	34	$ 11.12	$ 0.04	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316074	Multi-family, High Quality Insulation Installation, CZ 5	12	$ 11.89	$ 0.01	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316075	Multi-family, High Quality Insulation Installation, CZ 6	10	$ 5.91	$ 0.01	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316076	Multi-family, High Quality Insulation Installation, CZ 7	22	$ 5.14	$ 0.02	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316077	Multi-family, High Quality Insulation Installation, CZ 8	57	$ 5.52	$ 0.06	0.8	Dwelling Unit	20	200	$ 50.00	$ 100.00	10	9,114	883
2008	316078	Multi-family, High Quality Insulation Installation, CZ 9	95	$ 6.06	$ 0.10	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316079	Multi-family, High Quality Insulation Installation, CZ 10	126	$ 8.13	$ 0.14	0.8	Dwelling Unit	20	300	$ 50.00	$ 100.00	33	30,218	1,951
2008	316080	Multi-family, High Quality Insulation Installation, CZ 13	140	$ 11.20	$ 0.15	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316081	Multi-family, High Quality Insulation Installation, CZ 14	160	$ 15.57	$ 0.17	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316082	Multi-family, High Quality Insulation Installation, CZ 15	304	$ 4.22	$ 0.33	0.8	Dwelling Unit	20		$ 50.00	$ 100.00	-	-	-
2008	316083	Multi-family, Tank Less Water Heater, CZ 4	-	$ 13.89	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2008	316084	Multi-family, Tank Less Water Heater, CZ 5	-	$ 13.96	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316085	Multi-family, Tank Less Water Heater, CZ 6	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316086	Multi-family, Tank Less Water Heater, CZ 7	-	$ 15.50	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316087	Multi-family, Tank Less Water Heater, CZ 8	-	$ 15.34	$ -	0.8	Dwelling Unit	13		$ 200.00	$ 325.00	-	-	-
2008	316088	Multi-family, Tank Less Water Heater, CZ 9	-	$ 15.27	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316089	Multi-family, Tank Less Water Heater, CZ 10	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316090	Multi-family, Tank Less Water Heater, CZ 13	-	$ 13.81	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316091	Multi-family, Tank Less Water Heater, CZ 14	-	$ 15.34	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316092	Multi-family, Tank Less Water Heater, CZ 15	-	$ 14.81	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 325.00	-	-	-
2008	316093	Multi-family, Air Conditioner EER, CZ 4	10	$ -	$ 0.01	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316094	Multi-family, Air Conditioner EER, CZ 5	1	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316095	Multi-family, Air Conditioner EER, CZ 6	-	$ -	$ -	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316096	Multi-family, Air Conditioner EER, CZ 7	2	$ -	$ 0.00	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316097	Multi-family, Air Conditioner EER, CZ 8	42	$ -	$ 0.05	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316098	Multi-family, Air Conditioner EER, CZ 9	109	$ -	$ 0.14	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316099	Multi-family, Air Conditioner EER, CZ 10	233	$ -	$ 0.29	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316100	Multi-family, Air Conditioner EER, CZ 13	363	$ -	$ 0.46	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316101	Multi-family, Air Conditioner EER, CZ 14	406	$ -	$ 0.51	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-
2008	316102	Multi-family, Air Conditioner EER, CZ 15	1,036	$ -	$ 1.30	0.8	Dwelling Unit	15		$ 200.00	$ 225.00	-	-	-

CROSSCUTTING PROGRAMS

2006-2008 Energy Efficiency Concept Paper
Statewide Crosscutting Codes and Standards

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 106,500	$ 106,500	$ 106,500
Overhead	$ 14,286	$ 14,286	$ 14,286
Direct Implementation			
Financial Incentives	$ -	$ -	$ -
Activity	$ 95,000	$ 95,000	$ 95,000
Installation	$ -	$ -	$ -
Hardware & Materials	$ 78,214	$ 78,214	$ 78,214
Rebate Processing and Inspection			
Marketing			
Program Specific Marketing	$ 6,000	$ 6,000	$ 6,000
Statewide Marketing			
Total Program Budget	**$ 300,000**	**$ 300,000**	**$ 300,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	-	-	-	-	-	-	-

3. Program Cost Effectiveness

Attached

4. Program Descriptors

Codes and Standards (C&S) is an existing statewide program that promotes upgrades and enhancements in energy efficiency standards and codes. Codes and Standards Enhancement (CASE) studies are performed for promising design practices and technologies. The studies' results are presented to standards and code-setting bodies to encourage adoption of energy efficiency measures. In addition, C&S develops and conducts training seminars to inform the building community regarding applicable codes and prepare them for upcoming code changes.

5. Program Statement

What's New for 2006-08?

- Increase funding
- Focus on next generation of codes, standards

The statewide Codes and Standards (C&S) program is an information-only program that advocates upgrades and enhancements in energy efficiency standards and codes. Program activities are conducted over long-term code upgrade cycles. Support of building code cycles, for example, may require four years of continuous support. Codes and Standards Enhancement (CASE) studies for energy efficiency improvements are performed for promising design practices and technologies and are presented to standards and code-setting bodies. The Codes and Standards program offers the state expert testimony to promote standards that approach best practices in energy

efficiency, which becomes critically important as stakeholders voice opposition to improvements to building and appliance standards throughout the public workshops and hearings process. Additionally, the program supports implementation of energy efficiency standards through strategic initiatives and/or training. The program targets all market segments.

6. Program Rationale

Saving energy and capturing societal benefits from California's diverse energy efficiency program are the primary reasons behind the Codes and Standards program. These advancements are achieved by assisting the state in modifying existing standards or setting new codes into law. Enhancements to codes and standards lead to significant gas energy demand savings by advancing the identification and early adoption of innovative technologies. Following this progression, Codes and Standards activities create synergies with other programs, such as Emerging Technologies, IOU energy efficiency equipment rebates, and energy audits.

7. Program Outcomes

The Codes and Standards program is designed to enhance state and federal appliance and building energy efficiency codes, standards and guidelines. In 2006 through 2008, the Codes and Standards program will specifically support implementation of the California Energy Commission's Title 24 Building Energy Efficiency Standards and revisions to Title 20 Appliance Efficiency Standards. CASE initiatives may target enhancements to Title 24 Building Energy Efficiency Standards rulemaking. Additionally, the Southern California Gas Company has looked beyond Title 24 and Title 20 to urge those industries that are not currently regulated by this code to embrace "baseline" technologies and best management practices until they are formalized into industry-accepted standards.

8. Program Strategy

Program staff will assess technologies that present the strongest opportunities to direct and influence code enhancements with significant energy savings. Codes & Standards activities create synergies with other programs, such as Emerging Technologies, energy efficiency equipment rebates and energy audits. Codes and Standards program staff will work with the statewide Emerging Technologies program, staff s they provide comprehensive analysis of a technology's market potential, market barriers, incremental cost, adoptability, life expectancy, and life cycle costs – all of which determine at which point the technology could drive future code modifications.

9. Program Objectives

Progress will be measured through the following metric:

- **SoCalGas will initiate twelve (12) CASE studies.** The completion and presentation of a CASE study may take up to four years.
  - Additionally, a report will be completed that summarizes the status of each active CASE study active during the year. Reports on presentations to the CEC will be available through transcripts of CEC standards workshops, typically posted on the CEC web site after public hearings. The transcripts include comments made by the IOUs, stakeholders and advocates.

10. Program Implementation

Codes and Standards program managers will work closely with California Energy Commission (CEC) staff, and other codes and standards advocates, since advocacy efforts within the public rulemaking process are more effective if carried out in a coordinated manner. Prioritization of C&S activities will consider the applicable rulemaking proceedings; measure cost effectiveness, potential long-term energy savings, and demand savings of the enhancements. The IOU's Codes and Standards program staffs will meet throughout each year to coordinate inter-utility activities so that the limited program funding is leveraged efficiently through all of the IOU codes and standards efforts. Activities will also be coordinated with other IOU programs, as needed.

Pacific Gas & Electric Company (PG&E), Southern California Edison Company (SCE), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) will collectively consider CASE initiatives on various cost effective building and appliance energy efficiency measures. Implementation activities may include CASE studies, targeted training, or other strategic efforts. Additionally, projects such as scoping studies addressing retrofit residential and nonresidential building code opportunities, or advanced energy codes, may be included.

11. Customer Description

Through the statewide Codes and Standards program, expert testimony is provided to promote standards that approach best practices in energy efficiency. Key stakeholders impacted by these regulatory changes include 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.

12. Customer Interface

Interface with key stakeholders impacted by regulatory changes include manufacturers, government institutions, standard enforcement agencies of various jurisdictions, architects, engineers, and manufacturing/building associations, among other interested parties. This program is intended to inform the process of modifying existing or developing new energy efficiency measures for utility EE Programs or 3rd party efforts.

13. Energy Measures and Program Activities

The 2006-2008 program will focus on new opportunities to address retrofit residential and nonresidential building codes or advanced energy codes. Projects will share the objectives of informing state and federal agencies, verifying and enhancing the CEC's appliance energy efficiency and building code standards, and, in some cases, enhancing manufacturers' specifications and developing new statewide measures.

13.1. **Prescriptive Measures**

Not applicable.

13.2. **Energy Savings and Demand Reduction Level Data**

Not applicable.

13.3. **Non-energy Activities (Audits, trainings, etc.)**

As indicated above, one of the goals of the Codes and Standards program is to conduct relevant training and/ or seminars to help in the dissemination of code

changes and enhancements. The target audience is code officials, builders, developers, engineers and equipment specifiers. Trainings are performed by internal labor and subcontracted labor.

13.4. **Subcontractor Activities**

Although subcontractors may be employed, none are specifically planned at this time.

13.5. **Quality Assurance and Evaluation Activities**

This statewide evaluation plan was developed in accordance with EM&V requirements as specified in the current Energy Efficiency Policy Manual. The Manual does not require the evaluation plan for this information-only program to have a measurement and verification component. Pursuant with CPUC instructions, this plan should not be regarded as final. A final, more complete plan will be specified in accordance with the forthcoming new California Evaluation Framework at a later date.

13.6. **Marketing Activities**

As an information-only program, Codes and Standards' marketing efforts are those conducted for information dissemination and training. SoCalGas will deliver studies and reports to code-making bodies or organizations that would benefit from technology information as it relates to the code-making process. As seminars or training are conducted as a part of a Codes and Standards program, marketing materials promote the events through e-mail, web site access, newspaper and trade association advertisements and flyers mailings to the appropriate target audiences.

14. Conclusion

The statewide C&S program is an information-only program that advocates upgrades and enhancements in energy efficiency standards and codes. Program activities are conducted over long-term code upgrade cycles. Support of building code cycles, for example, may require four years of continuous support. Codes and Standards Enhancement (CASE) studies for energy efficiency improvements are performed for promising design practices and technologies and are presented to standards and code-setting bodies. The ultimate result of the Codes and Standards program is the actual codification of a variety of energy efficiency measures. These codified energy efficiency programs result in long term, sustainable energy savings written in the law and are applicable to all market segments.

	SCG3501 CS4-Codes & Standards Program	
BUDGET		
Administrative Costs	**$**	**362,358**
Overhead and G&A	$	42,858
Other Administrative Costs	$	319,500
Marketing/Outreach	**$**	**18,000**
Direct Implementation	**$**	**519,642**
Total Incentives and Rebates	$	-
User Input Incentive	$	-
Direct Install Rebate	$	-
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	285,000
Installation	$	-
Hardware & Materials	$	234,642
Rebate Processing & Inspection		
EM&V Costs	**$**	**-**
Budget	**$**	**900,000**
Costs recovered from other sources	**$**	**-**
Budget (plus other costs)	**$**	**900,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		-
Lifecycle Net Therms		-
Cost Effectiveness		
TRC		
Costs	$	900,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
PAC		
Costs	$	900,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-

2006-2008 Energy Efficiency Concept Paper
Statewide Emerging Technologies

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 284,360	$ 284,360	$ 284,360
Overhead	$ 47,619	$ 47,619	$ 47,619
Direct Implementation			
Financial Incentives	$ -	$ -	$ -
Activity	$ 586,021	$ 586,021	$ 586,021
Installation	$ -	$ -	$ -
Hardware & Materials	$ 2,000	$ 2,000	$ 2,000
Rebate Processing and Inspection	$ -	$ -	$ -
Marketing			
Program Specific Marketing	$ 80,000	$ 80,000	$ 80,000
Statewide Marketing			
Total Program Budget	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**

2. Projected Program Impacts -

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	-	-	-	-	-	-	-

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The Statewide Emerging Technologies (ET) program is an information-only program that seeks to accelerate the commercial introduction of energy-efficient technologies, applications, and analytical tools that are not widely adopted in California.

5. Program Statement

What's New for 2006-08?

- Increase in funding levels
- Increase focus on emerging technologies for longer term
- Opportunities to engage with CEC Gas-PIER program

The statewide ET program is an information-only program that seeks to accelerate the introduction of innovative energy efficient technologies, applications and analytical tools that are not widely adopted in California. Emerging technologies may include hardware, software, design tools, strategies and services. There are a daunting amount of market barriers that must be overcome for a new energy efficient product to gain acceptance. As the typical product life cycle in Figure 1 illustrates, during initial marketing efforts, products accepted by "innovators" may fail to gain wider acceptance with more risk-adverse customers, and the product's adoption rate may fall off into "the chasm." The ET program intends to help accelerate a product's market acceptance through a variety of approaches, but mainly by reducing the performance uncertainties associated with new

products and applications. The program targets all market segments. In addition, the program managers may investigate opportunities with industry, the California Energy Commission and others to develop new, innovative and cost effective energy efficient technology enhancements to existing products.

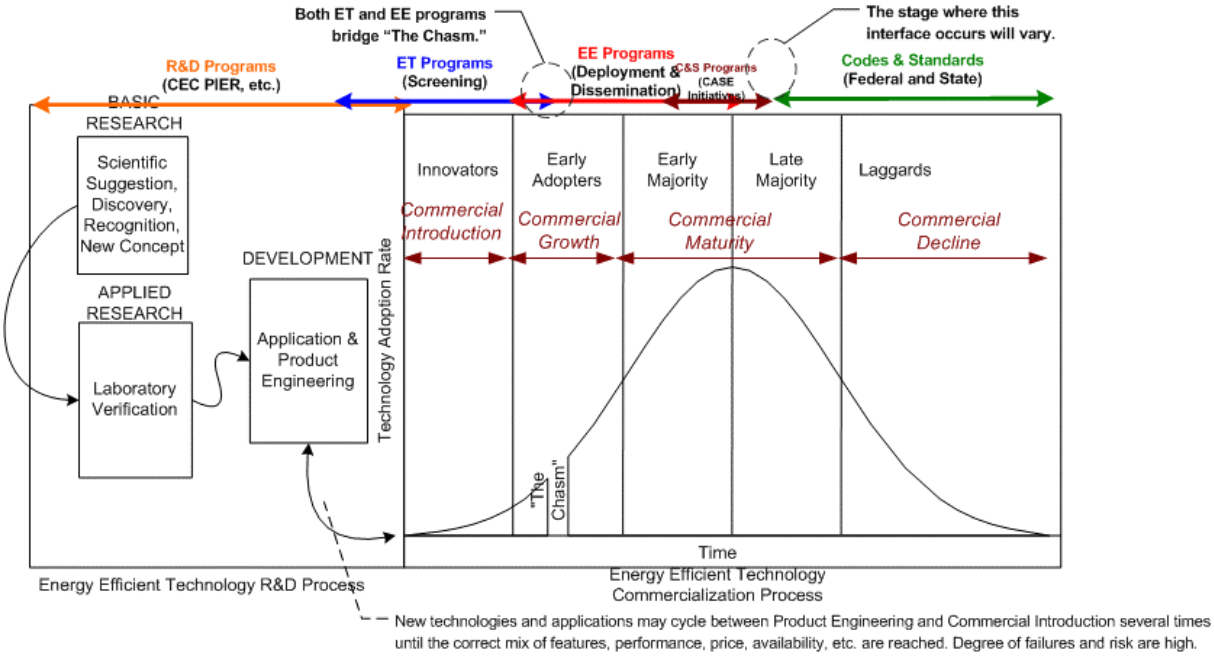


Figure 1. Energy Efficient Technology Commercialization Process

6. Program Rationale

The Energy Efficiency portfolio cannot remain static in the face of ever tightening energy markets and changing regulations. As the next generation of energy efficient technologies and applications emerge, they face market hurdles that may either delay their introduction or even consign them to failure. The ET program is a statewide Investor Owned Utility (IOU) effort that seeks to clarify and overcome many of those market barriers, and to raise the customer acceptance of innovative energy efficiency options that are not widely adopted in California. As shown in Figure 1, the program forms an important link between new energy efficient technologies and applications emerging from the Research & Development (R&D) cycle and their introduction into the broader marketplace. It also shows the relationship of the Emerging Technology Program, the Energy Efficiency Program, and the Codes and Standards Program over the product life of the technology.

The proposed 2006-2008 statewide ET program will be slightly different from the 2004 and 2005 program. In 2004 and 2005, the IOUs and the California Energy Commission's (CEC) Public Interest Energy Research (PIER) staff met to discuss and coordinate statewide activities through the Emerging Technologies Coordinating Council (ETCC). Through PIER, the CEC helps to develop, test and demonstrate products up to the end of the R&D cycle. During the 2004-05 meetings, the PIER program managers and contractors reviewed with the IOUs those projects and technologies that have advanced enough to warrant utility ET program consideration. At SCG, work is in progress on several ET assessment projects based on PIER technologies that are in their final development stages. In addition, ET

program staff briefed and prepared materials for the energy efficiency program planners regarding emerging technology applications that may be considered ready for the 2006 - 2008 energy efficiency programs. The synergy between R&D programs, like PIER, and the utilities ET programs is working well and should continue. However, the overall objective for the Energy Efficiency Programs is to verify the performance of new innovations for the integrated utility portfolio for resource acquisition programs. The success of the Energy Efficiency Program will depend on the types of technologies that can achieve the greatest cost effective demand reduction and energy savings. A modified selection criterion was developed to meet the more challenging Energy Efficiency Program objectives. It is also important that a balance of new innovations for various market segments, including residential, commercial, industrial and agricultural, be achieved.

7. Program Outcomes

The aim of the ET program is to develop all the necessary information required for the Energy Efficiency Program segment manager to employ the technology to achieve their energy savings goal. That information includes verified energy savings and demand reductions, market potential and market barriers, incremental cost, and the technology's life expectancy.

The outcome of each individual energy technology is very difficult to predict especially for high-risk projects. It is expected that some assessment projects may not turn out to be successful. Even unsuccessful assessments may provide insight so that improvement can be made in the future. The evaluations are critical to inform other EE program measure development and refined estimates and expectations of future energy savings.

8. Program Strategy

The utilities will deliver the program through custom demonstration projects, working with targeted "innovators" and coordinated efforts such as the ETCC ET database. Information transfer efforts disseminate project results through many different outlets, such as the Energy Centers, utility personnel and community organizations and the ETCC web site. These Information transfer activities leverage the utilities' overall energy efficiency communication efforts to disseminate information resources such as reports, fact sheets, design methods and tools developed through the demonstration projects.

9. Program Objectives

The ET program will initiate a variety of new Emerging Technology Application Assessments during 2006 - 2008. New technologies will be developed depending upon the market potential of the innovation, market barriers, incremental cost, life expectancy of the technology, the cost of the assessment, and the time required for the assessment. Since the Energy Efficiency Program managers are the recipients of those technologies, they will be involved in the project selection process. In order to guarantee a truly integrated portfolio, it is necessary to assess and evaluate technologies for all market segments although some of them may seem to offer less savings than others.

Assessments initiated in prior program years will continue until completion. Project results and information will be made available to targeted markets and the utilities' energy efficiency program planners will be briefed on emerging technology applications that may be considered ready for future efficiency program efforts. Once an assessment project

concludes and the results are understood, many of the demonstrated applications become part of the portfolios of mainstream energy efficiency programs, form the basis of future energy-related codes and standards, or are adopted as standard design practice in the marketplace and with industry.

The ET program performs assessments of emerging technologies. The number of emerging technology assessments initiated each year will be reported to the CPUC and can be verified. Some of those assessments may include performance of field demonstrations at customer sites. These field demonstrations may take as long as four years to complete, especially at new customer sites. The progress of the project will be reported throughout the funding cycle.

The Statewide Emerging Technologies Program progress will be measured through the following three annual metrics:

- SCG will target the initiation of 18 new technology assessments over the course of the 3-year period from January 2006 through December 2008.
- SCG will collaborate with the other participating utilities to create and maintain a new and more useful database for reporting and transferring information connected with ET program activities. It will succeed that which is currently available on the ETCC website (www.ca-etcc.com) and each IOU as well as the CEC will be responsible for providing the project information to the contractor who will incorporate it into the new database.
- SCG will continue to be a working member of the Emerging Technologies Coordinating Council and target participation in 4 quarterly meetings per year to ensure adequate inter-utility communication and cooperation. The ETCC will assess whether energy efficient emerging technology applications have reached a sufficient stage of maturity for the utilities to consider them in the statewide program efforts. In addition, to better monitor PIER progress, utility program staff members will attend PIER project meetings as often as possible. This will allow the utilities to remain current of PIER project changes and developments.

After the emerging technologies are assessed, it is important to have the information transferred to the energy efficiency program managers as well as the customers. Information Transfer efforts disseminate project results through many different outlets, including the Energy Centers, utility personnel, community organizations and other entities. These information transfer activities leverage the utilities' overall energy efficiency communication efforts to disseminate information resources such as reports, fact sheets, design methods and tools developed through the demonstration projects.

10. Program Implementation

The Emerging Technologies program consists of two parts: Assessment and Information Transfer, and the ETCC. Assessment and Information Transfer focuses on analysis of promising, early prototypes or commercially available technologies which have not yet obtained adequate penetration or acceptance in the marketplace. Emerging technologies may include hardware, software, design tools, strategies and services. Part of the assessment may include field demonstrations, conducted at either customer sites or in

controlled environments, which provide design and performance information, and verify novel energy efficient systems. Verification helps to reduce market barriers inhibiting wider acceptance of a technology. Demonstration projects help to measure, verify, analyze, and quantify the potential demand and energy savings. Small scale market potential studies will aid in understanding and document customer acceptance of specific applications in different market segments better informing the process to create and prioritize a new energy efficiency measure. Information transfer disseminates the results of emerging technology application assessment projects in a way that is customized to reach the most appropriate target markets as we work with the market segment program planners.

The ETCC is a statewide information exchange and coordination effort among Southern California Gas (SCG), Pacific Gas & Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E), and the CEC PIER programs. The Public Interest Energy Research (PIER) programs, like other public and private R&D efforts, develops, tests, and demonstrates prototype products. The utilities ET efforts form an important link in the commercialization of emerging energy efficient natural gas and electric technologies and their applications. Program efforts to select technology applications for assessment projects include working with the CEC PIER program, members of the research and design communities, manufacturers, energy efficiency advocates, and public entities such as Electric Power Research Institute (EPRI), Gas Technology Institute (GTI), universities, E-Source, California Institute for Energy Efficiency (CIEE), The Air-Conditioning and Refrigeration Institute (ARI), American Society of Heating, Refrigerating and Air-Conditioning Engineers (ASHRAE), Illuminating Engineering Society (IES), Institute of Electrical and Electronics Engineers (IEEE), national laboratories, Department of Energy (DOE), Environmental Protection Agency (EPA), NASA, engineering firms, industry and trade groups and customers. Contacts with these groups through both the individual utilities and the CEC PIER program constitute a large part of the public input the ETCC receives concerning energy efficient emerging technologies.

The ETCC will hold quarterly meetings to coordinate project activities, exchange information about specific customer projects and technologies, and discuss ways to enhance the utilities' Statewide ET Program efforts and collaboration with the CEC PIER, the ETCC website and the ET database. During ETCC business meetings, discussions concerning ongoing and/or proposed projects at times involve privileged customer information, business strategic and operational details, or privileged manufacturer product details that are too sensitive to discuss in an open forum. These exchanges are necessary to ensure truly effective coordination and collaboration effort between the utilities and the CEC PIER. For this reason, ETCC business meetings will not be open to the general public. At times, the ETCC may invite speakers to a portion of a work meeting to present advances in energy efficient emerging technologies that fit within the context and interests of the existing Statewide Emerging Technology program.

Each utility's program consists of activities that may be coordinated with other utilities' approved emerging technology programs and the CEC, and activities that are unique to each utility service territory and customer base. The efforts that each utility undertakes, as part of the statewide ET program, will be guided and prioritized based on the following criteria: customer needs, coordinated ETCC activities, technology opportunity and readiness, potential cost effective energy and demand savings, potential market size and

likely adoption rate estimate, approved program funding levels, and other relevant objectives.

The program will focus on new energy efficient emerging technology assessment projects in 2006 through 2008. The ET program efforts form an important link between ongoing R&D efforts on energy efficient technology applications and their commercialization. Applications mature out of the R&D cycle at different times and are not always available for consideration during initial program planning efforts. Thus, program staff works to remain informed on a broad range of emerging technology applications from many information sources, and any of the technologies may prove to be a viable project candidate. Currently, some of the technology areas that SCG may assess through the program and coordinate through the ETCC, include, but are not limited to:

- Intelligent controls for boilers and industrial equipment
- Building system diagnostics that advance toward 'continuous' commissioning
- Advanced alternatives for professional garment care
- New infrared and low emission burner systems for boilers, process heaters, furnaces and commercial hot water and cooking equipment
- New water heating products and advanced distribution systems
- Emerging technologies connected with cost effective thermal solar energy options
- Ultra-clean prime mover technologies for new distributed generation and combined heat & power systems
- Collaborative demonstrations of cool roof technologies

It is important to note that the less mature a technology is, the higher the risk that the technology may fail in an application. The identified risks are among the many factors that the utilities use to select technology applications for demonstration projects and to establish project contingency requirements. Starting in 2006, SCG may direct some resources toward market research to achieve a better initial understanding of a technology's market potential in order to improve the overall selection process. The significant increase in budget requested for program years 2006 through 2008 will be used to improve the ETCC website and ET database, increase assessment goals and information transfer activities, comply with added program tracking requirements and increased risks due to working with less mature products emerging from research. In past program years, the estimated specific costs of projects undertaken are reported in quarterly workbooks once the projects are committed. These costs will continue to be reported as required in the reporting workbooks. Likewise, narratives discussing initiated assessment projects and their progress are provided in past quarterly narrative reports. These narratives will be expanded to include projects initiated in previous program years. As assessment projects are concluded, their results will be summarized in the annual report narratives including which associated products have since been incorporated into the utilities' energy efficiency program efforts.

11. Customer Description

Customers from all markets segments are eligible to host emerging technology application demonstration projects. In general, the information the program generates through its demonstration activities benefits all customers. One of the aims of an ET program is to explore the extent an application of a new technology has in various market segments, in

order to characterize the widest possible deployment. Thus, the utilities seek opportunities to host appropriate demonstration projects at hard-to-reach customer sites.

The IOUs implement the program through custom demonstration projects. For projects that require a customer demonstration site, the program works with customers that are willing to accept the potential risks and expenses associated with relatively new energy efficient technology applications. Residential and non-residential customers from all market segments are potential participants. Figure 2 illustrates the general project and customer selection process. Customer site demonstration projects may come about in one of two ways:

- *Customer "Pull."* A utility account representative may approach the program staff on behalf of a customer interested in pursuing energy efficiency. The ET program staff will help the account representative address the customer's needs, and at the same time, consider a range of potential energy efficient emerging technology applications.

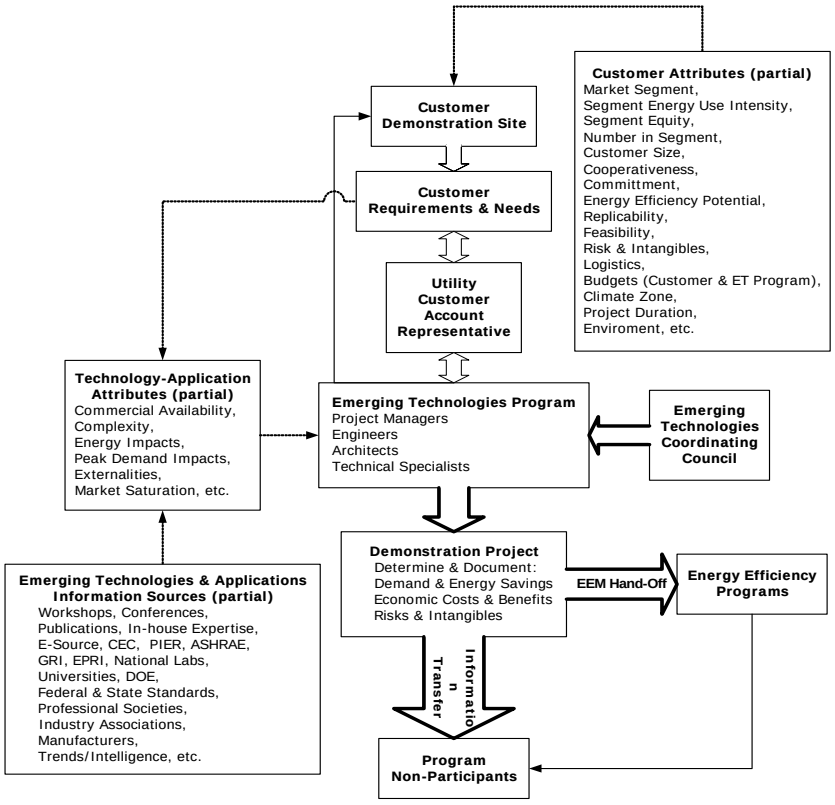


Figure 2. General Emerging Technologies Program Process

- *Technology "Push."* The second manner that a project may come about is when a significant new technology application emerges. ET program staff then approach the utility account representatives for a particular market segment, inform them about the new technology application, and ask them to help identify a potential

demonstration site from among their customers. The program follows a targeted marketing approach to work with "innovators." These "innovators" may further influence other customers. Note that the utility's customer account representative plays an important role in the overall process. For those projects that do not require a field demonstration at a customer site, the program staff seeks to frame the project targeting customer's needs and requirements. This helps ensure that project objectives are aligned with customer needs and expectations.

Before a customer site demonstration project can take place, a legal agreement acceptable to both the customer and the utility is developed, negotiated, and signed. These agreements specify the terms of the projects, maximum duration, dispute resolution methods, termination provisions, general liability, etc. It is important to note that some demonstration projects may require up to four years to complete, commencing on the date an agreement is signed with a customer. The time required to complete a project will vary due to how complex a new technology application is, construction schedules, building and process commissioning, logistics, etc. ***Speed to market will be emphasized in this program wherever possible.***

12. Customer Interface

Interaction with customers is unique to this program and typically results from the discovery from researchers, or utility staff that a customer is willing to take a higher level of risk and serve as a test bed for a new or improved product or process control scheme.

Other customers will benefit at a later stage through the different channels for information dissemination (e.g. workshops, training seminars, visits to the demonstrations, literature, etc.). Predominantly, this program is meant to inform the process of modifying existing or developing new energy efficiency measures for utility energy efficiency program. It is usually by this method that the successes of the ETP will be made known to the residential commercial and industrial energy customers.

13. Energy Measures and Program Activities

13.1. **Measures Information**

Not applicable.

13.2. **kWh Level Data**

Not applicable.

13.3. **Non-energy Activities**

Not applicable.

13.4. **Subcontractor Activities**

The ET program staff is ultimately responsible for all aspects of the program. Subcontractors may be used to perform the actual construction and installation of the equipment and hardware at customers' demonstration sites. They may also be employed to help develop market potential data. All subcontractor activities will be reported in the monthly workbook.

13.5. **Quality Assurance and Evaluation Activities**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those

activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs

13.6. **Marketing Activities**

ET will be marketed through custom demonstration projects, working with targeted "innovators," and coordinated efforts like the ETCC ET database. Information Transfer efforts disseminate project results through many different outlets, including the Energy Centers, utility personnel, community organizations, etc. These Information Transfer activities are typically specific to the utility and the circumstances of the product, manufacturer, market and potential. We leverage the utilities' overall energy efficiency communication efforts to disseminate information resources such as reports, fact sheets, design methods and tools developed through the demonstration projects

14. Conclusion

The statewide ET program is an information-only program that seeks to accelerate the introduction of innovative energy efficient technologies, applications and analytical tools that are not widely adopted in California. Emerging technologies may include hardware, software, design tools, strategies and services. There are a daunting amount of market barriers that must be overcome for a new energy efficient product to gain acceptance. The ET program intends to help accelerate a product's market acceptance through a variety of approaches, but mainly by reducing the performance uncertainties associated with new products and applications; and by informing the process that could include them in new or modified Energy Efficiency Program measures. This program targets all market segments.

	SCG3506 ETP4-Emerging Tech Program	
BUDGET		
Administrative Costs	**$**	**995,937**
Overhead and G&A	$	142,857
Other Administrative Costs	$	853,080
Marketing/Outreach	**$**	**240,000**
Direct Implementation	**$**	**1,764,063**
Total Incentives and Rebates	$	-
User Input Incentive	$	-
Direct Install Rebate	$	-
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	1,758,063
Installation	$	-
Hardware & Materials	$	6,000
Rebate Processing & Inspection	$	-
EM&V Costs	**$**	-
Budget	**$**	**3,000,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**3,000,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		-
Lifecycle Net Therms		-
Cost Effectiveness		
TRC		
Costs	$	3,000,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
PAC		
Costs	$	3,000,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-

2006-2008 Energy Efficiency Concept Paper
SoCalGas Energy Efficiency Delivery Channel Innovation Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 21,121	$ 20,719	$ 21,340
Overhead	$ 47,619	$ 47,619	$ 47,619
Direct Implementation			
Financial Incentives	$ -	$ -	$ -
Activity	$ -	$ -	$ -
Installation	$ -	$ -	$ -
Hardware & Materials	$ -	$ -	$ -
Rebate Processing and Inspection	$ -	$ -	$ -
Marketing			
Program Specific Marketing	$ 931,260	$ 931,662	$ 931,040
Statewide Marketing			
Total Program Budget	**$ 1,000,000**	**$ 1,000,000**	**$ 1,000,000**

Other energy efficiency program marketing budgets cover costs (such as bill inserts, direct mail letters, seminars, brochures, forms/applications, point-of-purchase signage, etc.) that are directly related to each individual program or their statewide components. The marketing budget for SoCalGas' Energy Efficiency Delivery Channel Innovation Program is incremental to the marketing costs of the individual energy efficiency programs within SoCalGas' portfolio.

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	-	-	-	-	-	-	-

As this program supports the SoCalGas energy efficiency portfolio, energy-savings measures and practices will not be claimed under this program.

3. Program Cost Effectiveness

Attached

4. Program Descriptors

Energy Efficiency Delivery Channel Innovation Program is a new, local cross-cutting program that covers all market sectors: Residential, Non-Residential, New Construction, Collaborations, and Third-Party Programs. The Energy Efficiency Delivery Channel Innovation Program was created to increase customer understanding of the SoCalGas energy efficiency portfolio and make adoption of energy efficiency measures and practices easier. This will be accomplished by strengthening the delivery channels of information by

providing relevant natural gas-related energy efficiency information and offers, reaching target audiences in key decision-making phases. It will maintain a continuous flow of innovative communications to help increase awareness of these offerings to the target audience throughout its lifecycle

What's New for 2006-08?

- Innovation
  - Offers greater frequency & relevancy to target markets.
  - Utilizes email, direct contact and other mass market approaches to keep energy efficiency top-of-mind.
  - Takes a customer lifecycle approach.
  - Employs feedback mechanisms for quicker program improvement and increased customer satisfaction.
  - Allows for outreach personnel to be in the field.
- Integration
  - Integrates and explains the full SoCacGas portfolio (including third-party programs) for greater customer understanding.
  - Improves coordination with other energy efficiency entities
- Other Program Improvements
  - Taps into outside expertise delivered through proposed third-party Ethnic Outreach program concept.

5. Program Statement

This program addresses the following challenges:

Increasing Demand on Limited Energy Resources - California's population continues to grow, placing greater demands on energy infrastructure and supplies. New energy infrastructure is costly and takes time to bring online. Energy efficiency and conservation efforts can help reduce demand.

Low Awareness & Low Interest Category - Consumers lead increasingly hectic lives. Energy Efficiency is not top-of-mind with consumers and other market actors unless there is an energy crisis or utility bills are high. Also, consumers should become more aware of energy efficiency benefits beyond lower energy bills. These benefits include increased comfort, environment preservation, and reduced need for additional energy infrastructure.

Cost vs. Benefit - Energy-efficient appliances and measures often require a greater upfront investment. Energy-efficient appliances usually cost more. And, it takes additional time to find out about energy efficiency programs, research the details and complete rebate applications. Making energy efficiency improvements and practicing conservation become higher priorities when consumers can see a payback in their investment (time & money). For some, the amount of money that could be saved is not worth the hassle. So, it is important to make targets aware of other benefits besides cost savings.

Lack of Continuity in Programs/Measures – Consumers and other upstream/midstream actors want greater continuity in programs, promotions and program details. Collaborators need greater continuity in order to tie-in with their planning needs. Additionally, on-going communications can keep the energy efficiency message more top-of-mind, up-to-date, and build momentum that attracts participation.

Emphasis on Electricity Issues Overshadows Natural Gas – The energy crisis, on-going concerns about summer blackouts, and the continuing increase in use of electronic devices

have made electricity demand reduction a higher priority than natural gas. Leadership and innovation in natural gas efficiency still need to occur.

Marketing of Programs Together Maximizes Relevancy and Economies – "The whole is greater than the sum of its parts." Energy efficiency programs can be more relevant and cost-effective if properly packaged to consumers.

It's Counterintuitive That a Company Would Promote Using Less of Its Product – Consumers are used to companies trying to sell more of its product, not less. Many do not understand or are suspect that SoCalGas wants customers to use less natural gas. Communication can be used to clarify.

Measurement & Valuation Challenges – Instant rebates make the process easier for customers, but it has been difficult to identify consumers for Measurement & Valuation (M&V) follow-up. With instant rebates, consumers often do not provide their contact information. Retailers are not interested in having their cashiers/staff take on additional responsibility. Therefore, reporting can be spotty. Increased outreach efforts and incentives can be utilized to improve M&V.

6. Program Rationale

The program design will:

- Target CEO's with information about energy efficiency,
- Leverage the California Climate Registry to identify organizations interested in energy efficiency,
- Work closely with retailers to develop such things as kiosks offering simplified simulation modeling and other information, expanded instant rebates for measures, connecting survey results to measure point-of-purchase,
- Develop email communications about energy use patterns,
- Develop new "Welcome Packages" at time of service establishment, and
- Leverage community and faith based organizations efforts to increase energy efficiency awareness.

The program presents the energy efficiency opportunities in an integrated manner for greater synergies and customer awareness on a local level. Through such outreach and the creation of on-going email dialogues and other communications tactics with targeted audiences, this program keeps energy efficiency top-of-mind and maximizes the adoption of energy efficiency measures and practices.

Through an innovative, coordinated approach, we will maximize outreach opportunities and boost individual program effectiveness and efficiency by leveraging the full portfolio of offerings, giving it context and encouraging adoption/implementation and improving tracking/reporting.

SoCalGas' Energy Efficiency Delivery Channel Innovation Program is designed to increase understanding of the SoCalGas portfolio of programs and make the adoption of energy efficiency measures and practices easier for our consumers. The program will accomplish this goal by strengthening the delivery channels of energy efficiency information and providing relevant natural gas-related energy efficiency information and offers, reaching

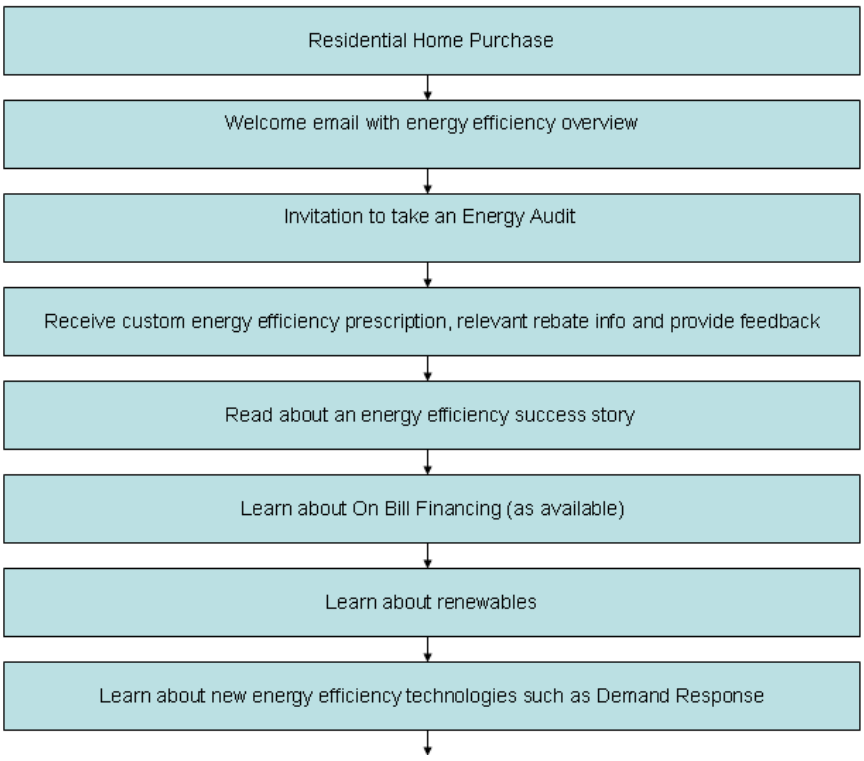
target audiences in key decision-making phases. It will maintain a continuous line of innovative communications to help increase awareness of these offerings to the target audience throughout the lifecycle.

This new program is made up of four key components.

Leveraging Point-of-Sale Activities – Home improvement retailers represent the opportunity to reach the residential and small business customer at the point of purchase. Retailers provide a gathering place for imparting face-to-face energy efficiency information when the customer is at a key decision-making point. For example, SoCalGas personnel will work with retailers to develop point-of-purchase materials, such as information kiosks that could offer simplified simulation models indicating which measure provides "the most bang for the buck" or simply offer general information on measures in the store. The staff will also be responsible for breaking down the barrier of retailer reluctance to incorporate more instant rebate measures. Outreach teams will also test various incentives such as "spiffs", contests and other rewards that can improve effectiveness in collecting data for M&V follow-up The staff will also be responsible for in-store demonstrations of products and any other merchandising techniques that retail managers feel would be effective.

On-going Online Outreach – As energy can be a low interest category for our busy targets, online communication efforts will push energy efficiency messages and opportunities out to targets. Taking a lifecycle approach, we can create regular, on-going communications with targets by matching communication timing to logical usage and adoption patterns. [Example for Residential segment: purchase a home; receive a welcome email; take an energy efficiency Audit; learn which measures and practices fit your situation; learn about best practices and success stories; take advantage of a rebate; sign up for On Bill Financing; participate in a survey to provide feedback on the process; dig deeper (learn about whole systems, renewables or future energy efficiency technologies…Direct Response); consider making additional energy efficiency improvements; take advantage of a different rebate; etc.] See flowchart below. Similar lifecycle approaches will be developed for all viable segments and sub segments (e.g. remodelers). This component allows communication with targets to be more interactive and measurable. Information such as Open Rates, Click-Throughs, Opt-Outs and Polls can be tracked to monitor interest. With feedback mechanisms, program adjustments can be made more quickly, as needed, to ensure that energy efficiency measures get adopted and goals are achieved. By creating a dialog, new energy efficiency program ideas can be solicited from non-traditional sources, evaluated, tested and added.

Sample Email Campaign Diagram for New Residential Customers:



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Grassroots Outreach - Outreach efforts will include personnel in the field across our 23,000 square mile territory to communicate the energy efficiency programs to hard-to-reach targets. We will participate in events; coordinate with Community Based Organizations (CBO), Faith Based Organizations (FBO), and upstream/downstream actors to facilitate energy efficiency adoption and measurement. Additionally, we will coordinate with the implementer of the proposed third-party Ethnic Outreach concept in activities to increase participation in energy efficiency programs and facilitate measurement.

Umbrella Awareness Campaign – To reach our mass audiences, this program will include an awareness campaign to be executed during winter when natural gas cost is top-of-mind with SoCalGas' customers. The entire energy efficiency portfolio will be marketed under an integrated campaign with a consistent design and messaging platform. This foundation allows for broader/mass awareness, understanding and offers the customer context for why energy efficiency is important at this critical time and relevant on an on-going basis. It explains how energy efficiency measures and practices not only help the customer manage costs and stay comfortable, but also helps defer the need for new costly infrastructure and additional supply-side resources.

Our vision and support for a more energy-efficient future, particularly as it relates to natural gas, creates a foundation for greater awareness, interest, adoption and measurement. SoCalGas will be positioned as a place to turn to for natural gas energy efficiency information, services, rebates, etc. Programs within the SoCalGas portfolio will be packaged to best fit consumer needs, make it clear how to take action, and facilitate the adoption of measures and practices.

Previous marketing and outreach efforts, including those executed by other parties, show that increased awareness and education efforts can improve energy efficiency

implementation. Increased education and awareness of energy efficiency measures and conservation practices have proven to reduce energy use. Without targeted and on-going efforts, the gap between the number of times energy efficiency measures are recommended and the frequency of people adopting the recommended measures will widen even more. Additionally, businesses that would like to adopt energy efficiency measures or support energy efficiency efforts in other ways are asking for more continuity, greater public awareness and better coordination in order to tie-in with their planning needs.

Studies by SoCalGas show that mass communications improve recall of energy efficiency messages. Mass communication programs such as the State's Flex Your Power (FYP) campaign draw attention to the importance of energy efficiency. This program component employs a foundation of "tried and true" mass media, but delivers focused *Natural Gas* Energy Efficiency messages in ways that are not already being communicated through other efforts such as FYP. Moreover, it will take place at a time of year when customer's focus on natural gas is high and measure adoption will be more likely.

FYP messages and resources are focused on electric and (more recently) water issues, as electricity supply problems have been higher profile and a priority for the State to resolve. SoCalGas' Energy Efficiency Delivery Channel Innovation Program will address local audience needs. The umbrella awareness component of this program will complement FYP and avoids redundancy. SoCalGas' Energy Efficiency Delivery Channel Innovation Program prioritizes local audiences and provides a strong, credible voice for natural gas efficiency to our 5 million + customers. SoCalGas' expertise in natural gas appliances and measures are also important to leverage as gas savings opportunities become more difficult to create. The success of Title 24 and the availability of highly efficient gas appliances provide an exciting challenge. We look forward to taking a leadership role with natural gas energy efficiency by focusing resources toward this effort, so that we lay a foundation for increased target interest and innovation that is nurtured and grows as we look toward 2008 and beyond to the year 2013.

7. Program Outcomes

The Energy Efficiency Delivery Channel Innovation Program will work toward achieving the following Vision, Program Results, and Desired Customer Response.

SoCalGas' Vision: *To provide customers with a portfolio of useful and innovative energy efficiency programs that address growing customer needs and help manage demand.*

Desired Program Results:

- Increase awareness of SoCalGas' program portfolio, understanding and interest in energy efficiency particularly in the winter months,
- Improve connectivity to targets, more often and in more relevant ways,
- Attain high customer satisfaction as it relates to the ease of finding out about energy efficiency programs and implementing measures, and
- Assist in meeting or exceeding portfolio goals.

Desired Consumer Response: *"It's important to do my part in improving energy efficiency because it impacts more than just my energy bills. SoCalGas lets me know how I*

can be more energy efficient and makes it really easy. In fact, I've made some energy efficiency improvements that are making a difference."

8. Program Strategy

Retail Outreach: Efforts will focus on promoting energy efficiency at the point-of-purchase to help convince the customer to choose the energy-efficient model/measure. The program will dramatically increase in-store efforts, working with the retailers, to help increase the awareness and understanding of energy efficient products, and to improve the instant rebate process and reporting. Activities targeting upstream and downstream actors will include training, M&V reporting process improvements, incentives, recognition, etc.

On-going Online Outreach: Efforts will focus on keeping energy efficiency top-of-mind on an on-going basis. SoCalGas will build or acquire email databases for key target audiences. E-Newsletters will push relevant energy efficiency messages to customers. Content can include rebate information, energy efficiency benefits, best practices, success stories, polls/feedback mechanisms, options to forward newsletters to a friend or colleague, information on upcoming energy efficiency events or training, etc. We will employ a consumer lifecycle approach and adjust activities based on feedback.

Grassroots Outreach: Outreach efforts will help move consumers beyond the information-gathering phase toward implementation and use of energy efficiency measures. SoCalGas outreach personnel will build relationships with CBO, FBO, and other hard-to-reach organizations to directly deliver energy efficiency communications and measures and provide to additional measurement opportunities. This program will also coordinate efforts with the 3rd party Ethnic Outreach program (a separate program which will be put to bid in order to tap into external resources with knowledge of cultural barriers and unique marketing approaches to promoting SoCalGas' portfolio). Finally, the program will establish relationships with SoCalGas senior managers and executives at key customer facilities to provide insight and reasoning for participation in the energy efficiency programs described in the portfolio.

Umbrella Awareness/Integrated Energy Efficiency Communications Platform: A consistent message and design platform will be created to communicate a different way of thinking about energy efficiency for benefits today and in the future. This foundational message will be communicated via an integrated mix of cost-effective channels such as the Web, in-bill messaging, PR, community relations, events, and collateral. Mass market advertising (e.g. a few weeks of concentrated media at the beginning of the winter months per year) and target direct marketing campaigns may be utilized to create awareness. Hard-to-reach markets will be included.

9. Program Objectives

Program success can be evaluated through both quantitative and qualitative methods. Success metrics can be based on increasing awareness and understanding of energy efficiency, increasing the frequency of energy efficiency messages to defined levels, providing content that is relevant/actionable to consumers, making energy efficiency easier for all parties, increasing customer satisfaction, etc. Pre- (benchmark) and post-program questionnaires can help to measure effectiveness. On-going feedback can be monitored and

programs or tactics can be adjusted as needed. Focus groups can be employed to identify communication gaps and adoption hurdles. Metrics examples:

- **Awareness**:
  - Increase awareness and understanding of SoCalGas' energy efficiency programs among targets.
- **Effectiveness:**
  - Test content for clarity and relevancy among targets.
  - Measure whether targets agree that Marketing & Outreach efforts caused them to take action.
  - Determine whether targets agree that SoCalGas' programs made energy efficiency easy to implement.
- **M&V:**
  - Support programs within the SoCalGas portfolio in their effort to capture customer information.

10. Program Implementation

Retail Outreach: Key retailers will be identified and outreach staff will be deployed to determine levels of support for in-store marketing then implement agreed-upon tactics.

On-going Online Outreach – A database of key targets will be acquired or created. Lifecycles of key targets will be analyzed. E-newsletters or email will be tested and deployed on a regular basis to keep targets abreast of new and relevant offerings. Open rates, opt-outs, click-throughs, feedback and other key data will be analyzed and future communications adjusted, accordingly.

Grassroots Outreach – Outreach staff will meet with target audiences on a regular basis, particularly those that are identified as "Hard-to-Reach". Staff will build relationships with CBO and FBO, as well as other targets to better understand communication gaps and hurdles. Staff will promote integrated programs and collect feedback.

Umbrella Awareness Campaign – SoCalGas' Energy Efficiency Delivery Channel Innovation Program manager will work with individual program managers to identify key targets and develop umbrella platform to maximize relevancy and economies of scale during the winter campaign. Winter mass market advertising will strive to achieve over 50% reach and minimum frequency levels between 3-6 times per media flight.

For each of these activities, research, measurement and valuation will take place annually. Portfolio and individual program achievements will be monitored regularly in order to determine if outreach efforts need to be adjusted.

Sample Integrated Campaign:

Activity	Frequency	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Bill Newsletter Articles	6-12x/yr	X	X	X	X
Residential Email	Quarterly	X	X	X	X
Multi-Family Email	Quarterly	X	X	X	X

Activity	Frequency	1st Quarter	2nd Quarter	3rd Quarter	4th Quarter
Business Email	Quarterly	X	X	X	X
Upstream/Midstream Email	2 times/yr	X		X	
Web	On-going	X	X	X	X
Events	On-going	X	X	X	X
Community Outreach	On-going	X	X	X	X
Advertising	3-4 Weeks	X			

11. Customer Description

This program will target consumers and upstream/midstream actors in the Residential, Non-residential, New Construction, Partnerships/Collaborations segments. This includes Hard-to-Reach audiences. See individual programs within the portfolio for further details on targets. Mass communications, online, and outreach efforts will be deployed against various targets, as appropriate.

12. Customer Interface

The program includes a communications platform which engages target audiences and helps them understand why energy efficiency is important on an on-going basis, not just when gas bills are high or when supplies are low. This platform will explain the overarching benefits of energy efficiency and SoCalGas' role as a local facilitator. The integrated communications tactics will act as an umbrella for SoCalGas' portfolio, providing greater synergies and continuity to help increase awareness and deepen customer understanding of specific SoCalGas energy efficiency offerings. This platform will coordinate with the State's Flex Your Power campaign, but will support local needs with an emphasis on facilitating gas measures implementation.

As the Energy Efficiency Delivery Channel Innovation Program supports the entire SoCalGas energy efficiency portfolio, the program must be flexible, allowing us to work closely with our program managers to identify areas that need greater attention. If market circumstances change, we can shift resources and implement alternative marketing and outreach activities to ensure we achieve our 2006-2008 energy efficiency goals. Programs within the portfolio will be packaged to maximize relevancy and economies – and programs may be cross-promoted where applicable.

There will be an emphasis on the development of email databases, Web content, banner ads, search engine optimization, e-newsletters and webinars/webcasts for improved relevancy, speed, convenience, efficiency and measurability. Online communications are important for pushing content out to consumers, keeping energy efficiency top-of-mind on an on-going basis, and sharing energy efficiency success stories/best practices that show consumers how they too can easily implement energy efficiency measures. Email and Web hits are measurable and can quickly provide information on what topics are resonating with audiences. In these efforts, we'll continue to comply with Customer Privacy, Anti-Spam and other applicable rules. Where appropriate, we'll link to relevant content on websites of "sister" organizations (CPUC, Flex Your Power, UTEEM, CEE, Energy Star, Edison,

Municipalities, Water Companies, etc.) and highlight innovations (such as emerging technologies).

SoCalGas outreach personnel will coordinate with retailers, CBO and FBO to directly deliver program services and provide additional measurement opportunities. SoCalGas will also coordinate with other outreach organizations (CPUC, Flex Your Power, UTEEM, CEE, Energy Star, Edison, Municipalities, Water Companies, etc.) to leverage efforts. We will look at sponsoring events that promote a comprehensive approach to energy efficiency (e.g. whole house).

Outreach staff will also monitor point-of-purchase signage so we can make sure customers are taking full advantage of instant rebate opportunities. Outreach staff will build relationships with upstream and midstream targets. Outreach staff will monitor point-of-sale activity and implement promotions as needed. These can include such activities as providing incentives to distributors, contractors, retail stores, etc. to improve M&V reporting.

13. Energy Measures and Program Activities

13.1. Prescriptive Measures

Not applicable.

13.2. kWh Level Data

Not applicable.

13.3. Non-energy Activities

Sample Activities – Energy Efficiency Delivery Channel Innovation Program:

Energy Efficiency Delivery Channel Innovation Program Activities
Point of purchase: information/kiosks
Residential Email (lifecycle approach, portfolio-oriented)
Multi-Family Email (lifecycle approach, portfolio-oriented)
Business Email (lifecycle approach, portfolio-oriented)
Upstream/Midstream Email (dialogue approach, portfolio-oriented)
Web
Community Outreach and Events
Business Community Outreach (including executive level outreach)
Public Relations
Winter mass market communications

13.4. Subcontractor Activities –

Of the total Marketing & Outreach budget, over 85% will be subcontracted.

The following activities will be subcontracted to maximize cost-effectiveness and quality:

- Media Planning, Creative Development, Photography, Video, Webcasts, Production, Printing, Translations, Promotions, Audits, Demonstrations, Training, and Outreach.

- Where needed, we'll look for diverse suppliers that reflect our customer base and especially those that can help boost creativity and cost-effectiveness.
- We'll coordinate closely with the third-party implementing the proposed Ethnic Outreach concept component of SoCalGas' portfolio. For ethnic targets, third-party implementers may assist with such areas as database acquisition, promotions, training, etc.

13.5. **Quality Assurance and Evaluation Activities**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs

13.6. **Marketing Activities –**

See sections 6, 8, 10 and 12.

14. Conclusion

SoCalGas' Energy Efficiency Delivery Channel Innovation Program will raise awareness of SoCalGas' energy efficiency offerings and make the adoption of those measures and practices easier for our consumers. Thanks to significant input from PAG and public ideas, this program will help SoCalGas accomplish 2006-2008's more challenging efficiency goals through a new approach that leverages the full portfolio, boosts individual program effectiveness/efficiency by providing context, relevancy and will maximize outreach opportunities to get measures adopted and implemented.

	SCG3504 EMO4-Energy Efficiency Delivery Channel Innovation Prog	
BUDGET		
Administrative Costs	**$**	**206,038**
Overhead and G&A	$	142,857
Other Administrative Costs	$	63,181
Marketing/Outreach	**$**	**2,793,962**
Direct Implementation	**$**	-
Total Incentives and Rebates	$	-
User Input Incentive	$	-
Direct Install Rebate	$	-
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	-
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	-
EM&V Costs	**$**	-
Budget	**$**	**3,000,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**3,000,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		-
Lifecycle Net Therms		-
Cost Effectiveness		
TRC		
Costs	$	3,000,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
PAC		
Costs	$	3,000,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-

2006-2008 Energy Efficiency Concept Paper
Energy Efficiency Education & Training Program

1. Projected Program Budget.

	2006	2007	2008
Administrative			
Other Administrative	$ 247,402	$ 417,996	$ 417,807
Overhead	$ 85,714	$ 109,524	$ 111,905
Direct Implementation			
Financial Incentives	$ -	$ -	$ -
Activity	$ 1,408,884	$ 1,741,380	$ 1,766,789
Installation	$ -	$ -	$ -
Hardware & Materials	$ -	$ -	$ -
Rebate Processing and Inspection	$ -	$ -	$ -
Marketing			
Program Specific Marketing	$ 58,000	$ 31,100	$ 53,500
Statewide Marketing			
Total Program Budget	**$ 1,800,000**	**$ 2,300,000**	**$ 2,350,000**

2. Projected Program Impacts

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	325,000	-	-	360,000	-	-	460,000

3. Program Cost Effectiveness

Attached

4. Program Descriptors

Energy Efficiency Education & Training – The Statewide Energy Efficiency Education and Training Program is an existing program and offered in the service territories of Pacific Gas & Electric (PG&E), Southern California Edison (SCE), San Diego Gas and Electric (SDG&E), and Southern California Gas Company (SoCalGas). Overall, the program promotes energy efficiency to a variety of customers segments through energy centers (physical and virtual) and other informational programs. The objective is to disseminate information about energy-efficient technology and practices to utility customers for the purpose of assisting them in reducing energy usage, lowering their utility bills, reducing operation and maintenance costs, and improving their productivity. The programs also provide services to a variety of market actors, architects, designers, engineers, distributors, and contractors who use information and tools to design more efficient buildings or processes and to conduct energy efficiency retrofits and renovations.

5. Program Statement

Education and Training is an information program that promotes energy efficiency to a variety of customer segments through the SoCalGas Energy Resource Center (ERC), Food Service Equipment Center (FSEC), and other information and training programs. The objective is to (1) disseminate information about energy efficiency technology and practices to utility customers for the purpose of assisting them in reducing energy usage, lowering their utility bills, reducing operation and maintenance costs, and improving their productivity; and (2) provide services to a variety of midstream and upstream market actors, including but not limited to architects, designers, engineers, distributors, and contractors, who use information and tools to design more efficient buildings or processes, and to conduct energy-efficient retrofits and renovations. New program offerings are being developed to further address specific concerns and priorities of customers.

What's New for 2006-08?

- Innovation
  - Consolidation of training and educational energy efficiency activities
  - Energy-Efficient Design Approach for Commercial Kitchens (CAD)
- Integration
  - Focus on emerging technologies
- Other Program Improvements
  - HVAC certification training outreach
  - Will include many successful approaches of utility, DOE, CEE and CEC

6. Program Rationale

ERC - Customers often lack the knowledge or expertise to effectively address energy efficiency challenges. Feedback attained through PAG proceedings supports the concept that Education and Training plays an integral role to encourage the adoption of energy-efficient technologies and best practices. As an experienced provider of education and training programs, with a state-of-the-art facility and a successful curriculum in place, SoCalGas incurs nominal additional expenses to continue offering quality seminars on current topics requested by customers. The Education and Training program provides outreach to customers enabling them to recognize energy efficiency opportunities and new technologies. The Education and Training Program plays a significant role in the diffusion of technologies and the dissemination of other energy efficiency and PGC program information, such as incentive and rebate programs. Through these efforts there is greater potential to minimize lost energy savings opportunities.

FSEC - The FSEC is an integrated component of the ERC and offers equipment demonstrations, educational training and seminars featuring industry related "hot " topics to maximize energy efficiency and productivity, as well as business solutions to assist customers with other food service issues. Customers value SoCalGas as foodservice industry experts who excel in developing valuable seminars as well as useful energy efficiency educational materials. With at least 140 pieces of equipment representing more than 60 different manufacturers, food service professionals use their own recipes and products to test the latest energy-efficient cooking equipment in the FSEC facility before purchasing new or replacement equipment for their operations. Customers also receive detailed information on other SoCalGas services and, incentive and rebate programs while touring the FSEC.

Industrial End-User – California is the sixth largest economy in the world, and its industry consumes over one-third of the State's non-generation energy (21% of the electricity and 48% of the natural gas). Based on recommendations received from the California Energy Commission (CEC) throughout the PAG proceedings, SoCalGas proposes to conduct onsite energy efficiency seminars via mobile workshops at selected customer industrial sites. These efforts will help the State's medium to large size industrial customers optimize their energy use, while contributing to conserve the State's energy resources.

Very little effort has been made to provide energy efficiency outreach to medium to large industrial customers. This program will expand outreach efforts by providing on-site workshops utilizing a "don't tell me - show me" training system, resulting in measurable savings which can be reproduced at other sites, while attempting to bridge the gap between financial decision makers and plant operators.

NATE (North American Technician Excellence) Certification Training Program - For years, the HVAC industry has struggled to combine a variety of technical skills and knowledge into a standard testing program that represents the entire industry. NATE provides comprehensive, nationwide testing and certification for HVAC technicians. As a result, many groups benefit. Consumers' opinions of the HVAC industry are raised, the supply of qualified technicians grows, and technicians themselves have a reason to reach higher and take even more pride in the job they do. Everyone with a stake in the industry reaps the rewards.

As NATE's momentum builds, consumers have good reasons to trust in the NATE-certified technicians: peace of mind, better system efficiency (and lower utility bills), comfort, and cost savings.
Quality begins at the individual level. With NATE certification, technicians are finally recognized and rewarded for their expertise. Certification provides the competitive edge needed to succeed in installing and servicing today's sophisticated heating and cooling equipment. As consumers gain awareness of NATE, the image of the entire industry - and those who work in it - soars. Highly qualified, NATE-certified technicians give contractors a valuable asset: better customer service with fewer callbacks, which can mean more business and a better bottom line. In fact, nearly nine out of 10 consumers prefer a certified technician to service their HVAC/R systems, according to a survey by Decision Analyst for Contracting Business magazine. When it comes to hiring, contractors recognize that NATE-certified technicians have proven their systems proficiency. Nationally recognized for its stringent standards, NATE testing and certification encourages proper installation and service of HVAC equipment by highly skilled and trained technicians. Manufacturers and distributors reap the benefits with fewer warranty returns of defect-free components and ultimately, a better bottom line. Endorsed by the U.S. Department of Energy, the NATE program turns out technicians who are highly skilled in the proper installation and service of HVAC equipment, which means equipment that operates at peak efficiency, helping utilities achieve load shape and energy goals.

Comments received through the PAG proceedings have suggested the need for HVAC technicians to perform to higher work standards. In response to these comments, SoCalGas proposes to offer courses in preparation for the NATE Certification Program. This training program will prepare HVAC contractors to take the NATE certification test in an effort to

increase the number of passing grades helping to encourage the State's HVAC industry to design, install, and maintain energy-efficient HVAC systems utilizing a set of uniform HVAC standards.

Food Service Kitchen Design Center – As a new innovation, SoCalGas is proposing to add professional design assistance by offering no-fee expert consultation, including fundamental computer- aided design (CAD) drawings, for customers in need of a new small commercial kitchen, or renovation of their existing inefficient kitchen. By incorporating energy efficiency into the initial design plans, facilities can realize up to 15% energy savings. From the beginning design stages, kitchen layouts that meet with the owner's vision of the end result are of the utmost importance. An efficiently designed commercial kitchen is an integral element in the overall success of a foodservice operation. SoCalGas will ensure an efficient kitchen while sharing knowledge and giving consideration to the desired atmosphere and overall theme of the restaurant or other food service facility.

Building Operator Certification (BOC) Training – The Building Operator Certification and Training Program will be integrated into the 2006-08 Education and Training program portfolio. The program will be offered in the service territory of SoCalGas, in coordination with the efforts of Pacific Gas and Electric (PG&E), San Diego Gas and Electric (SDG&E), San Diego Regional Energy Office (SDREO), and Southern California Edison (SCE), as a continuation of the building operator training and certification program implemented in 2002 on a statewide basis. Operators of medium and large commercial buildings (including governmental and institutional buildings and complexes) are the primary target group for this program. The program content trains operators of these buildings to identify and implement long-term annual energy savings and electric peak-demand reduction opportunities as an integral part of their operations and maintenance activities. As a certification program, BOC seeks to establish a recognized professional credential for building operators.

7. Program Outcomes

Through showcasing and demonstration of hands-on energy efficiency displays and exhibits, and in conjunction with seminars specifically designed to leverage the information provided by the program focusing on emerging technologies to ensure the delivery of up-to-date information, the ERC strategy helps to break down customer market barriers concerning cost, performance uncertainty, and asymmetric product information. The Center offers an informative experience that can influence customers to implement energy-efficient measures, which can result in energy savings and conservation, as well as, effectively move them to participate in other public goods funded programs.

8. Program Strategy

Continue to disseminate information about energy-efficient technologies and best practices to customers and the market place, covering both the residential and nonresidential markets. This is done primarily at the SoCalGas Energy Resource Center (ERC) through education in the form of no-fee seminars, workshops, displays, demonstrations, technical consultations, facility presentations, fact sheets, and brochures. In addition, information is provided by taking specific seminars and presentations to offsite locations using community organizations, local government and trade associations as channels to a variety of constituencies.

The ERC also supports other Public Goods Charge (PGC) programs through the distribution of incentive and financing program promotional materials, providing field support, seminars, displays, equipment demonstrations and face-to-face contact with customers in a variety of venues, which can include trade shows and community meetings.

At the ERC, literature is provided and graphics and signage are designed to make connections for the customer between the exhibits and displays and other available PGC programs. Links are also created between seminar materials and available programs to insure customers attending seminars are aware of those offerings.

9. Program Objectives

The primary objective of the ERC has been and will continue to be, the reduction of barriers to customers' participation in the energy efficiency marketplace by providing accurate and unbiased energy efficiency information to SoCalGas customers. This information assists customers with reducing energy use and/ or increasing productivity, thereby lowering energy costs. As in the past, the program will address equity objectives by targeting the hard-to-reach markets as defined in the Energy Efficiency Policy Manual. Targeted promotion of activities will be initiated to address the specific needs of these markets, although not to the exclusion of the larger and urban customers, whose use of energy, and therefore potential for increased efficiencies, is substantial. All energy efficiency-related activities at the ERC are provided at no fee to SoCalGas customers.

10. Program Implementation

ERC/FSEC - The Energy Center provides education in the form of seminars, workshops, displays, demonstrations, technical consultations, facility presentations, fact sheets and brochures. In addition, information is provided to customers representing economically disadvantaged and ethnically diverse communities by taking specific seminars and presentations to offsite locations. Supporting the educational curriculum are exhibits and displays that range from showcasing equipment to demonstrating the operation of specific applications. The presence of these exhibits and displays at the Center reinforces the information provided in the seminars and workshops. The exhibits and displays create an atmosphere of specialized knowledge in energy technology, lending unbiased credibility to the information.

Energy Center staff continues to be available to provide consultations to customers regarding their specific energy needs, ensuring that they are advised on the most energy efficient methods to meet those needs. This can be done in person, by telephone, and by e-mail, both direct and Website-generated through www.socalgas.com.

Seminar offerings are a key element of the overall Energy Center strategy. A variety of updated materials and new technology topics will be developed into seminars and exhibits addressing customer needs and emerging technology concepts. This work will be conducted in cooperation with various expert internal and external organizations, not only to meet customer needs as identified in the March 10, 2005 Statewide Education, Training and Services Program Study, but those needs obtained from other sources as well, including customer feedback surveys, stakeholder input, etc.. As a result of customer and stakeholder

feedback, targeted marketing efforts will be utilized to increase customer attendance and to achieve greater market saturation.

Exhibits and displays will continually be upgraded and newly constructed in support of the overall Energy Center seminar series and to promote various SoCalGas and statewide energy efficiency programs. These exhibits and displays help provide a balanced and well-rounded menu of learning methods while setting the Energy Center apart from organizations that do not offer such an extensive variety of exhibits and displays.

Statewide collaboration will continue through sharing course materials and classes, instructors, and advertising. The sharing of these resources ensures a more consistent energy efficiency message throughout the state. Also, sharing training materials can reduce development costs, dependent on the subject and needs of the specific target audience.

Industrial End-User – Working with Major Markets Account Executives, predetermined workshop sites will be selected during each year of the program. Collaborating with the CEC, Department of Energy (DOE), Universities, and the State's industrial assessment centers, SoCalGas AE's and Technicians will educate customers on achievable energy savings and technology developments, and provide technical assistance to help customers evaluate combustion efficiency and emissions data. Funding will be allocated to provide no-fee workshops, and updated materials on current DOE best practices of process heat and steam, qualitative surveys, and equipment recommendations.

NATE (North American Technician Excellence) Certification Training Program – **The NATE certification training program will consist of eight evening courses as follows:**

- HVAC Basics /CORE - four nights / three hours per night
- Gas Furnaces - two nights / three hours per night
- Air Conditioning/Heat Pump Combination - two nights / three hours per night

Upon completion of all eight classes, students will be eligible to take the NATE exam. Syllabus, handout materials and exam will be included for all portions of the program, and SCG will be proctored to give the exam. Training will be offered without fee; however, students will be required to pay for the "purchase price" of the exam. This comprehensive program will include personal, business and mechanical skills, as well as HVAC basics.

Food Service Kitchen Design Center – SoCalGas employees will utilize the Computer Aided Design (CAD) system to assist small commercial customers in designing an energy-efficient kitchen, providing a productive workflow and functionality for a safe, efficient facility which ensures compliance with local health and building codes as applicable. SoCalGas personnel will make site visits to determine the placement and availability of existing utilities and provide additional recommendations, such as energy audits, rebates and Energy Star equipment. Utilizing the CAD system, SoCalGas will create and print project drawings, and provide customers with detailed lists of recommended energy-efficient equipment and collateral items.

Building Operator Certification (BOC) Training – The Building owners/operators that have had contact with BOC and have participated in the program recognize the value of the BOC Program as a key means to address the challenge outlined in section 5. They recognize BOC training is practical training, in that it focuses its training curriculum with students on the vital components of running a building properly, such as electrical systems, building main and subcomponent systems, HVAC systems, building controls, building automation, efficient lighting fundamentals, maintenance and building codes compliance, indoor air quality and most important energy efficiency and energy conservation. The program's training helps building operators identify those opportunities that can save energy, with electric peak-demand reduction and become more knowledgeable in how to respond to load reduction, demand response when managing their building's operation. There is a growing need on the part of owners to train new personnel or have existing building operators undergo BOC training to raise their level of skills, knowledge and expertise in all phases of building operations techniques due to the increased level of new building construction which will require operational staff to properly handle building operations. A trend that is starting to take hold in California, and that may become widespread as the cost for land and real estate continues to escalate, will drive construction builders in the commercial and industrial markets to construct more multi-story buildings, which have large energy consuming systems for refrigeration, heating, cooling and lighting.

11. Customer Description

The ERC's outreach 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.

12. Customer Interface

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. SoCalGas seminars and workshops are marketed through a variety of mediums, including:

- Quarterly Schedules – There are four class schedules created each year. Each quarter, approximately 10,000 are distributed through direct mailing or other methods to SoCalGas customers, most located within a 30-mile radius of the ERC. The mailer consists of a listing of the classes offered, dates and times for each, and a brief description of what is covered.
- Annual Mailings – Each year one mailer is created focusing specifically on Foodservice seminars. This mailing goes out via direct mail or other method to approximately 25,000 SoCalGas customers, most located within a 30-mile radius of the ERC. The mailer consists of a listing of foodservice classes offered, dates and times for each, and a brief description of what is covered.
- Joint Utility Promotion – In cooperation with SDG&E, PG&E, and SCE, all energy efficiency classes offered through SoCalGas are promoted in their energy centers. SoCalGas provides information on all energy efficiency classes offered through its educational programs to the other utility's energy centers.
- Socalgas.com – This is SoCalGas's website which contains all of the various programs and services offered through SoCalGas, including a schedule of classes offered at the ERC and various offsite locations, with easily accessible real-time registration via the

website. Customers will find a comprehensive list of programs and services, as well as information about the training facilities detailed throughout the website and are able to make clear choices for those that could potentially meet their energy needs. The website can be accessed through: www.socalgas.com/erc.

13. Energy Measure and Program Activity

13.1. **Prescriptive Measures**.
See SoCalGas June 1, 2005 Filing Workbook

13.2. **kWh Level Data**

13.3. **Non-energy Activities**

Based on the California Public Utilities Commission's (CPUC) approved Energy Efficiency Policy manual, an information-only program is not reasonably expected to provide an estimate of energy savings. Any deficiency in energy savings, demand reduction, therm savings, resource benefits, or a TRC ratio for any particular program (i.e. information programs), should not imply that a strategy, element, or program does not promote energy efficiency. In fact, due to the information and services they disseminate, the education and training strategies contribute to the success of SoCalGas energy efficiency incentive and demand response programs, and will continue to provide information in the form of a designated number of seminars, workshops, and demonstrations as their filed goal.

The ERC will continue to assist with the diffusion of energy-efficient technologies and practices into all market segments. The primary venue for this is the ERC facilities providing education in the form of seminars and workshops. In addition, information is provided to the hard-to-reach customers by taking specific seminars and presentations to offsite locations. These activities will continue for 2006-08 complementing emerging technology and energy efficiency program strategies.

Education and Training- 307 EE Seminars, 700 Equipment Demonstrations, 50 Manufacturer-Assisted Equipment Training Workshops, 45 FSEC CAD Kitchen Designs

BOC – Annually, 1) Conduct 1 Level-I classes and 1 Level-II class; 2) Enroll 20 students in Level-I and 12 students Level-II classes.

BOC Class Offerings and Student Enrollment

BOC Program Element	2006	2007	2008	3Yr. Total
Level I Classes	1	1	1	3
Level II Classes	0	1	1	2
Student Enrollment Level I	20	20	20	60
Student Enrollment Level II	0	15	15	30

NATE (North American Technician Excellence) Certification Training Program

NATE Training	2006	2007	2008	3Yr. Total
Workshops	3	3	3	9

(Note) Each series of workshops consist of 8 classes

Food Service Kitchen Design Center

Kitchen Design Center	2006	2007	2008	3Yr. Total
CAD Designs	12	15	18	35

13.4. **Subcontractor Activities**

SoCalGas uses a variety of subcontractors for tasks including graphic design, exhibit construction and maintenance, resource and tool development, program and seminar development, catering requirements, specialized staffing needs, and other administrative support. The activities will continue to be awarded though the competitive bid process as the need arises.

13.5. **Quality Assurance and Evaluation Activities**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings,

workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs

13.6. **Marketing Activities**

ACTIVITY	DESCRIPTION
Quarterly Mailings	There are four class schedules created each year. Each quarter, approximately 10,000 are distributed through direct mailing or other methods to SoCalGas customers, most located within a 30-mile radius of the ERC. The mailer consists of a listing of the classes offered, dates and times for each, and a brief description of what is covered. Field representatives also share the schedule of classes with their individual customers or individuals based on the end-uses or possible technologies those individuals may be considering.
Annual Mailings	Each year one mailer is created focusing specifically on Foodservice seminars. This mailing goes out via direct mail or other method to approximately 25,000 SoCalGas customers, most located within a 30-mile radius of the ERC. The mailer consists of a listing of foodservice classes offered, dates and times for each, and a brief description of what is covered. Field representatives also share the schedule of classes with their individual customers or individuals based on the end-uses or possible technologies those individuals may be considering.
Joint Utility Promotion	In cooperation with SDG&E, PG&E, and SCE, all energy efficiency classes offered through SoCalGas are promoted in their energy centers. SoCalGas provides information on all energy efficiency classes offered through its educational programs to the other utility's energy centers.
EnergyEfficiencyCenter.com	This joint utility Website features class listings for each of the State's energy centers. Class schedules are updated throughout the year and provide customers a one-stop shopping location to find what workshops are available to help solve their

ACTIVITY	DESCRIPTION
	energy efficiency needs.
www.socal.com	This is SoCalGas' website which contains all of the various programs and services offered through SoCalGas, including a schedule of classes offered at the ERC and various offsite locations, with easily accessible real-time registration via the website. Customers will find a comprehensive list of programs and services, as well as information about the training facilities detailed throughout the website and are able to make clear choices for those that could potentially meet their energy needs. The website can be accessed through: www.socalgas.com/erc.
Targeted Seminar Mailings	Workshops and seminars may require a separate mailer to reach certain customer segments or customer types. These mailings may be sent out to a limited number of customers, segment support groups and product-related vendors.

14. Conclusion

Education and outreach have been sighted as key components in transforming the energy market. If true regional energy savings are to be achieved, people must understand the compelling social, environmental and economic benefits of energy efficiency and conservation. SoCalGas' participation in the Statewide Education and Training Program has been extremely successful in promoting hard energy savings through focused education and training, marketing, outreach, collaboration and partnering. The "*Evaluation of the 2002 Statewide Education, Training and Services Program*" report conducted by KEMA dated January 14, 2004 clearly indicates the education and training programs implemented by the Utilities had a positive effect on participating customers. The report indicates (1.) Attending the program's seminars reduces relevant market barriers, (2.) The program resulted in changes in awareness, behaviors, and attitudes for ¾ of participants, (3.) The program was effective in increasing energy-efficiency behaviors and adoptions for over ½ of the participants. A comprehensive education and training portfolio developed by SoCalGas for 2006-08 will continue to maximize outreach opportunities. Quantifying the results of educational efforts through ongoing contact with previous ERC/FSEC users and attendees of SoCalGas seminars, has clearly shown that the services provided through both of these components have led to documented reductions in energy use.

	SCG3503 EET4-Education & Training Program	
BUDGET		
Administrative Costs	**$**	**1,390,347**
Overhead and G&A	$	307,143
Other Administrative Costs	$	1,083,205
Marketing/Outreach	**$**	**142,600**
Direct Implementation	**$**	**4,917,053**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	-
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	4,917,053
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	-
EM&V Costs	**$**	-
Budget	**$**	**6,450,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**6,450,000**

PROGRAM IMPACTS	
Net Smr Pk (kW)	-
Net NCP (kW)	-
Net CEC (kW)	-
Annual Net kWh	-
Lifecycle Net kWh	-
Annual Net Therms	1,145,000
Lifecycle Net Therms	17,175,000
Cost Effectiveness	
TRC	
Costs	$ 8,298,693
Electric Benefits	$ -
Gas Benefits	$ 6,632,771
Net Benefits (NPV)	$ (1,665,922)
BC Ratio	0.80
PAC	
Costs	$ 6,450,000
Electric Benefits	$ -
Gas Benefits	$ 6,632,771
Net Benefits (NPV)	$ 182,771
BC Ratio	1.03
Levelized Cost	
Levelized Cost TRC ($/kWh)	
Discounted kWh	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost PAC ($/kWh)	
Discounted kWh	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost TRC ($/therm)	
Discounted Therms	9,750,997
Cost	$ 0.8511
Benefits	$ 0.6802
Benefit-Cost	$ (0.1708)
Levelized Cost PAC ($/therm)	
Discounted Therms	9,750,997
Cost	$ 0.6615
Benefits	$ 0.6802
Benefit-Cost	$ 0.0187

SOCALGAS Education & Training Program

Year	Total Budget	Total Incentives	Admin Budget	Net kWh	Net Therms	Net kW
2006	$ 1,800,000	$ -	$ 1,800,000	-	325,000	-
2007	$ 2,300,000	$ -	$ 2,300,000	-	360,000	-
2008	$ 2,350,000	$ -	$ 2,350,000	-	460,000	-

Year	Filing Meas. #	Meas. Desc.	Unit Gross kWh	Unit Gross Therms	Unit Gross kW	NTG	Unit Type	Meas. Life	Units	Incentive	IMC	Total Net kW	Total Net kWh	Total Net Therms
2006	318003	Industrial End User Workshops (SPC Equivalent)	-	1	-	0.8	Therm	15	406,250	$ -	$ 1.80	-	-	325,000
2007	318003	Industrial End User Workshops (SPC Equivalent)	-	1	-	0.8	Therm	15	450,000	$ -	$ 1.80	-	-	360,000
2008	318003	Industrial End User Workshops (SPC Equivalent)	-	1	-	0.8	Therm	15	575,000		$ 1.80	-	-	460,000

2006-2008 Energy Efficiency Concept Paper
On-Bill Financing Program

1. Projected Program Budget

	2006	2007	2008
Administrative			
Other Administrative	$ 434,578	$ 425,817	$ 416,449
Overhead	$ 118,765	$ 119,967	$ 127,204
Direct Implementation			
Financial Incentives	$ -	$ -	$ -
Activity	$ 229,411	$ 235,994	$ 242,774
Installation	$ -	$ -	$ -
Hardware & Materials	$ -	$ -	$ -
Rebate Processing and Inspection	$ 364,925	$ 365,901	$ 366,907
Marketing			
Program Specific Marketing	$ 102,321	$ 102,321	$ 96,666
Statewide Marketing			
Total Program Budget	**$ 1,250,000**	**$ 1,250,000**	**$ 1,250,000**

Notes:

1. Other Administrative includes build-out of IT assets to automate the billing process.
2. Financial Incentives is shown as zero dollars in the budget. Up to $5 million of loan funds will be made available during 2006 and 2007 by SoCalGas from non-PGC funds.

2. Projected Program Impacts –

2006			2007			2008		
kW	**kWh**	**Therms**	**kW**	**kWh**	**Therms**	**kW**	**kWh**	**Therms**
-	-	-	-	-	-	-	-	-

Note: Not applicable to the pilot phase of this program. Results of EM&V may indicate whether energy savings can be directly attributed to this program at some time in the future. Energy savings will be credited to the participating rebate programs in the interim.

3. Program Cost Effectiveness

Attached

4. Program Descriptors

The SoCalGas On-Bill Financing (OBF) Program is a new local program that provides financing for energy efficiency measures. The OBF program will target the following market sectors:

- Phase I ("pilot"):
  - Residential: Owners of multifamily units who do not live on the premises
  - Nonresidential: Small commercial and industrial customers
  - Local government

- Later Phases: expansion into additional market segments could be warranted and would occur during later phases of the program.

5. Program Statement

Historically, the multifamily and small business segments have been considered hard-to-reach, with limited participation in energy efficiency programs, while representing largely untapped energy efficiency potential. Local government entities have similarly limited participation driven by capital constraints and long budget cycles that have restricted their ability to participate in one-and two-year energy efficiency program cycles.

What's New for 2006-2008?

- Innovation
  - Test on-bill financing option as means to increase energy efficiency program participation and reduce program incentive costs
- Integration
  - Audits, information, and rebates

The On-Bill Financing program would facilitate the purchase and installation of qualified energy efficiency measures by customers who might otherwise not be able to act given capital constraints and administrative and time burdens to participation as well as concerns about or lack of understanding of the benefits of energy efficiency. The participating customer would be eligible to receive a reduced rebate from the participating rebate/incentive program(s) and to finance the balance of comprehensive, qualified energy efficiency measures in lieu of another available program rebate or incentive. Monthly payment on a term loan would be billed as part of the participating customer's utility bill.

The program will also address utility concerns with the risks and costs of offering this type of program in the State of California. Historically, these concerns have focused on the costs to upgrade customer information and billing systems as well as the imposition of and exposure to additional legal and regulatory requirements on the utility.

6. Program Rationale

On-Bill Financing programs have been offered by other utilities with varying levels of success. SoCalGas' On-Bill Financing program is designed to build on the successful programs run by others. Proponents advocating for the inclusion of on-bill financing options in overall utility portfolios argue that the availability of this type of program will allow more customers to participate in energy efficiency programs. Phase I of this program will test whether customers who face market barriers to participation in energy efficiency programs will actually increase their participation level. When customers utilize this program, their previous "lost opportunities" to manage and reduce their energy consumption will be minimized.

7. Program Outcomes

On-Bill Financing will leverage existing energy efficiency rebate programs. Through provision of a reduced rebate level in conjunction with financing, participating energy efficiency rebate programs will be able to rebate additional units and generate additional energy savings. Desired results of the program are:

- Incremental program participation in the rebate programs targeted in the pilot phase

- Incremental energy savings flowing from increased customer participation and ability to install a more comprehensive package of measures
- Convenience for customers to access financing through energy efficiency programs and ease of repayment through the utility bill
- Demonstration that the utility customer and billing systems can be upgraded at reasonable cost to handle a financing option
- Establish necessary procedures to comply with any additional legal and regulatory requirements imposed on the utility by this program.

8. Program Strategy

Methods deployed in order to obtain program outcomes:

- Design and implementation of changes necessary to utility billing and accounting systems to provide on-bill presentment of a loan repayment as a new, single line item on the bill. There are two parts to Phase I implementation of systems changes. Part 1 of the phase will implement a manual billing process, making limited modifications to the billing system in order to allow for manual processing of monthly bills for customers participating in the OBF program. The manual billing process would be available in early 2006. Part 2, occurring concurrently with Part 1, will design and implement an automated billing process, making more extensive modifications to the customer information system and billing systems to accommodate OBF program transactions. The automated billing process is expected to be available at the end of 2006.
- Training for contractors to provide information on the participating energy efficiency rebate programs, including the financing option, to customers seeking energy efficiency improvements. It is expected that using contractors will be an important element in the success of this program. Contractors, along with utility account executives, will recruit customers and initiate the loan application for customer's energy efficiency project with the utility. A list of pre-screened/qualified contractors offering the financing option will be made available to any customer who requests it from the utility.
- Eligible market segments will be provided a reduced rebate for qualified energy efficiency equipment with zero-percent financing for 100% of the balance of project cost (up to loan maximum), including installation costs. Minimum loan available is $5,000; maximum loan available is $25,000. Maximum total loan funds available during the pilot phase are capped at $5 million for program years 2006 and 2007.
- Utility will complete credit screening on customer application and review payback analysis, reserving loan funds for approved projects. Customers not qualified for financing option will be referred back to the appropriate rebate program.

9. Program Objectives

OBF is designed to provide an additional means to facilitate customer participation in energy efficiency programs that deliver permanent and verifiable energy savings from the targeted market segments. Objectives of the pilot phase are to: 1) establish internal procedures and systems upgrades to provide financing option to customers, 2) evaluate the benefits to customers and contribution to energy savings goals provided by on-bill financing, 3) provide loans using manual processing in PY 2006, 4) provide loans using automated processing in PY 2007, and 5) propose next generation On-Bill Financing program.

Milestone 1: Manual billing systems in place and loans available to customers by end of first quarter 2006.
Milestone 2: Automated billing systems in place and loans available to customers by the beginning of 2007.
Milestone 3: Evaluation and analysis of program processes and contribution to increased customer participation and increased real energy savings to be determined by internal assessment and EM&V plan.
Milestone 4: Utility filing of report on program results and request for next generation program consideration to Commission by the end of 2007.

10. Program Implementation

OBF program will be offered in conjunction with the Residential Multifamily Energy Efficiency Program, the Statewide Nonresidential Express Efficiency Program, and the Local Business Energy Efficiency Program. Loans will be offered in program years 2006 and 2007, or until loan funds are spent and/or committed. Marketing efforts for OBF will be coordinated with these programs.

- Utility Perspective

  SoCalGas will need to make a number of modifications to existing systems and procedures to facilitate implementation of OBF. These modifications will be transparent to the customer, involving enhancements to the customer information database, billing system and bill format. Additionally, changes to tariffs and rules will be filed with the Commission and internal procedures and processes updated.

  For 2006, a manual billing system will be implemented to include the loan payment as a line item on the customer's utility bill. Concurrently, work will begin to implement changes to the information systems that will enable loan payments to be handled automatically by the systems. Automated systems are expected to be available at the beginning of 2007.

  Marketing messages and materials will be developed in conjunction with the participating rebate programs as well as utility information and outreach programs. Program materials such as application forms, loan agreements and disclosure notices will be developed.

  A contractor/utility interface will be developed to facilitate communication between participating contractors and the utility. Training materials will be prepared to train utility account executives and contractors on the OBF option and the contractor/utility interface. Contractors will be selected (through OBF and/or in conjunction with participating rebate programs) and training conducted.

  Program will officially open for submission of project and loan application. Utility will review applications submitted by contractors and account executives for compliance with credit check criteria and project payback. Utility will notify parties of approved applications and provide loan documents for customer signature; customers failing to meet the credit check criteria will be referred to the appropriate rebate program(s). Upon notification that installation is complete, utility will verify installation and release funds.

Upon release of funds, utility will enter loan payment into the billing system. Utility will begin monitoring remittance activity, track accounts moving into collections and analyze any loans going into default.

- Contractor Perspective
  Contractors interested in offering the OBF as an option to its customers will be asked to respond to an RFQ/RFP initiated by either the participating rebate program or OBF. Once selected, the contractor will participate in training on the OBF program, including use of the contractor/utility interface and coordination with the participating rebate programs. Upon completion of training, contractors will be able to recruit customers to participate in the OBF program.

  Contractor will submit customer project and loan application. Upon notification from utility that customer and project qualify for OBF and loan document has been signed by customer, contractor will install project measures. Upon completion of installation, utility will verify and inspect installation.

- Customer Perspective
  Customers interested in installing energy efficiency improvements at their facilities may become aware of the utility's energy efficiency programs in a number of ways: on their own or through their contractor or utility account executive. A customer who inquires about the OBF option will be referred to their account executive or referred to the list of pre-qualified contractors. The customer, working with their account executive or contractor, will decide upon the comprehensive package of energy efficiency measures to be installed and assist in the preparation of the program application and loan agreement, including the OBF option. Upon notification of approval to participate in the OBF option, the customer will schedule installation by the contractor and post-installation inspection by the utility. After installation is complete, utility will release the funds for the project's authorized costs and customer's loan repayment will begin appearing on the monthly utility bill.

11. Customer Description

The customers targeted by the OBF program are:

- Multi-Family Owner not living on the premises
- Small C&I
  - Core service gas (as defined per Rule 23)
- Local Government (cities, schools, etc.)
  - Core service gas (as defined per Rule 23)

12. Customer Interface

The program shall be presented to the customer through face-to-face contact from pre-screened installation contractors and SoCalGas Account Executives. Marketing materials, including coordination with participating rebate/incentive programs and outreach/information programs, and program contracts will be developed detailing the terms and conditions for participation in the financing option. Efforts will include the development and design of program literature, application forms, loan agreement, and other appropriate program literature as needed.

13. Energy Measures and Program Activities

13.1. **Prescriptive Measures**.

13.2. **kWh Level Data**

13.3. **Non-energy Activities**

13.3.1. End Use Load

13.3.2. Targeted Sector

13.3.3. Activity Description

Loan funding of up to $5 million will be provided by SoCalGas from non-PGC funds and will be made available in PY 2006 and PY 2007. No loans will be issued during PY 2008, pending assessment of program effectiveness. Zero percent interest rate. Two to three year loan term for multifamily and small business market segments; three to five year loan term for local government segment. No penalty for early repayment. Partial or non-payment of loan could result in shut-off of utility service and turned over for collection. Balance of loan will become payable when customer closes utility account. Loan is not transferable.

13.3.4. Quantitative Activity Goals

- Loan funding will be allocated to the three market segments – 20% to multifamily, 30% to small business, and 50% to local government
- Expected number of loans during each of the 2 loan years is 300 (for a total of 600 loans over the life of the program). Number of loans could be as few as 100 each year (if all for maximum amount) to as many as 500 each year (if all for minimum amount). Average loan is expected to be $8,000.

13.3.5. Assigned attributes of the activity

13.4. **Subcontractor Activities**

Subcontractors may conduct training of energy services contractors.

13.5. **Quality Assurance and Evaluation Activities**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs.

13.5.1. Expected number/percent of inspections (planned percent of projects):

One hundred percent of the projects will be verified and inspected. Any failures will need to be corrected before funds are released.

13.6. **Marketing Activities**

Marketing efforts would be coordinated with the participating rebate programs to include a cross reference to the on-bill financing option. These efforts would include development of program forms and applications, brochures and/or program summary sheets and contractor outreach.

14. Conclusion

The availability of on-bill financing at other utilities has allowed more customers to participate in those energy efficiency programs. SoCalGas' On-Bill Financing program

will facilitate the purchase and installation of qualified energy efficiency measures by customers who might otherwise not be able to act given capital constraints or other market barriers. The OBF program will help SoCalGas meet its aggressive energy savings targets. Leveraging existing energy efficiency rebate programs and offering an on-bill financing option will enable SoCalGas to increase program participation, rebate additional units and generate additional energy savings while offering customers an easy, convenient means to afford and install the equipment that will enable them to manage and reduce their energy usage.

	SCG3514 OBF4-On-Bill Financing for Energy Efficiency Equipment	
BUDGET		
Administrative Costs	**$**	**1,642,780**
Overhead and G&A	$	365,936
Other Administrative Costs	$	1,276,844
Marketing/Outreach	**$**	**301,308**
Direct Implementation	**$**	**1,805,912**
Total Incentives and Rebates	$	-
User Input Incentive	$	-
Direct Install Rebate	$	-
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	708,179
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	1,097,733
EM&V Costs	**$**	-
Budget	**$**	**3,750,000**
Costs recovered from other sources	**$**	-
Budget (plus other costs)	**$**	**3,750,000**

PROGRAM IMPACTS	
Net Smr Pk (kW)	-
Net NCP (kW)	-
Net CEC (kW)	-
Annual Net kWh	-
Lifecycle Net kWh	-
Annual Net Therms	-
Lifecycle Net Therms	-
Cost Effectiveness	
TRC	
Costs	$ 3,750,000
Electric Benefits	$ -
Gas Benefits	$ -
Net Benefits (NPV)	$ -
BC Ratio	-
PAC	
Costs	$ 3,750,000
Electric Benefits	$ -
Gas Benefits	$ -
Net Benefits (NPV)	$ -
BC Ratio	-
Levelized Cost	
Levelized Cost TRC ($/kWh)	
Discounted kWh	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost PAC ($/kWh)	
Discounted kWh	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost TRC ($/therm)	
Discounted Therms	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost PAC ($/therm)	
Discounted Therms	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -

PARTNERSHIPS

2006-2008 Energy Efficiency Concept Paper
SoCalGas Energy Efficiency Collaborations

1. Projected Program Budget –
The SoCalGas 2006 –2008 budget for the Energy Efficiency Collaborations is $12,000,000. The allocated funds per year are $4,000,000.

2. Projected Program Impacts –
The therm savings for the Energy Efficiency Collaborations will be determined after the individual collaborations have been developed.

3. Program Cost Effectiveness
Attached

4. Program Descriptors
SoCalGas plans to more clearly define its Energy Efficiency Collaborations program with municipalities, institutions, and academia upon completion of the 2006-2008 program planning competitive bidding process. SoCalGas believes this is a more efficient process because SoCalGas will then have a clear understanding of the mix of programs between the core IOU portfolio and the third-party implementers. With that information, SoCalGas can craft collaborations that do not overlap and assist SoCalGas in the development of a comprehensive portfolio. SoCalGas will follow-up this filing with a supplemental filing outlining the details of the collaborations including budgets, cost-effectiveness analyses, and other information contained in this document.

The SoCalGas Energy Efficiency Collaborations Programs will include both the residential and nonresidential market sectors. The customer classes will include Non Core, medium, small, very small commercial & industrial, and agricultural customers. There will also be a Crosscutting component that will include very small commercial, Hard-to-Reach, and Income Qualified customers.

SoCalGas plans to continue and strengthen our successful endeavors with the Energy Coalition, Bakersfield/Kern County Energy Watch, the South Bay Cities Energy Efficiency Savings Center, the Ventura County Regional Energy Alliance, the Los Angeles County Energy Efficiency Collaboration and the IOU/UC/CSU Collaboration.

What's New for 2006-08?

- Innovation
  - Plan to include a school/ education component for grade school children with retrofits,
  - Expand collaborations to include: Community Colleges
  - CA Department of Corrections Collaboration
  - Rinse & Save Spray Valve Installation Program.
- Integration
  - Link with residential and multifamily rebates
  - Link with water agencies where possible
  - Include non-core accounts for participants of collaborations
- Other Program Improvements
  - All collaborations will need to include direct therm savings in the final implementation plan.

5. Program Statement
The goal of the SoCalGas Collaborations Program is to gain energy savings through collaborations with other utilities, municipalities, institutions, and academia. SoCalGas plans to include cost effective direct measure installation, retro commissioning, and training/education programs to increase

customers' awareness and knowledge of potential energy efficiency actions.

6. Program Rationale

SoCalGas recognizes the value of participating in collaborations with other utilities, such as PG&E, SCE and SDGE; as well as municipal, institutional and civic agencies. Through these collaborations, SoCalGas is allowed very effective channels for providing Energy Efficiency programs that may be hard to reach otherwise.

Creation of collaborations that use the networks of municipal/civic agencies to leverage existing funding is considered a cost effective and prudent way to disseminate energy efficiency information and ensure measure installation. While SoCalGas may (in some collaborations) be marketing SoCalGas programs, the extra attention paid to customers by their already familiar agency will increase the likelihood of energy efficient actions. In addition to meeting needs of various groups of customers, it is expected that collaborations will be able to cost effectively address the needs of many hard-to-reach customers.

7. Program Outcomes

The goal of the SoCalGas Energy Efficiency Collaborations Program is to increase customers' awareness and knowledge of potential energy efficiency actions and obtain therm savings. The therm savings goal will be agreed to based on each collaboration according to estimated opportunities. SoCalGas is strongly encouraging all collaborations to include therm savings in the implementation plans.

8. Program Strategy

Implementation strategy will be developed by the participating entities within the collaborations based on needs identified after the competitive bidding process is completed for the non IOU programs.

9. Program Objectives

The objective of the Energy Efficiency Collaborations is to achieve the therm savings goal and increase customers' awareness and knowledge of energy efficiency.

10. Program Implementation

Program implementation is being crafted with participating entities.

11. Customer Description

The target audience will be set by the collaboration according to the needs identified. The market segments expected to be included are Homeowners, Contractors, Architects, Designers, Renters, Municipalities, Institutions, Teachers, and Building Operators.

12. Customer Interface

The customer interface will be determined based on the program design.

13. Energy Measures and Program Activities - see worksheet

13.1. **Prescriptive Measures**.
13.2. **Non-energy Activities**
13.3. **Subcontractor Activities –**
13.4. **Quality Assurance and Evaluation Activities –**

An evaluation plan will be developed in accordance with the soon to be developed EM&V Protocols. The CPUC Energy Division will be holding meetings, workshops and possibly hearings throughout the summer to develop these Protocols. SoCalGas looks forward to participating and commenting on those activities and plans to file EM&V plans for all programs on October 1, 2005 in conjunction with the ED, CEC, and the other IOUs.

13.4.1. Expected number/percent of inspections

13.5. **Marketing Activities –**

Will be determined based on program design.

14. Conclusion

Southern California Gas Company (SoCalGas) will file an advice letter detailing the specifics for the Energy Efficiency Collaborations. Furthermore, SoCalGas plans to include the following existing collaborations from the 2004-05 program with revisions to implementation plans based on needs identified from after the open bid process:

- Energy Coalition
- Bakersfield/Kern County Energy Watch
- South Bay Cities Energy Efficiency Savings Center
- Ventura County Regional Energy Alliance
- Los Angeles County Energy Efficiency Collaboration
- IOU/UC/CSU Collaboration

In addition SoCalGas may also propose new innovative collaborations based on needs identified after the open bidding process is completed, which may include the following:

- SW IOU/Community Colleges Collaboration
- SW IOU CA Department of Corrections Collaboration
- Rinse & Save Spray Valve Installation Program

	SCG3515 PP4- Partnership Programs	
BUDGET		
Administrative Costs	**$**	**4,800,000**
Overhead and G&A	$	-
Other Administrative Costs	$	4,800,000
Marketing/Outreach	**$**	**-**
Direct Implementation	**$**	**7,200,000**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	7,200,000
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	-
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	-
EM&V Costs	**$**	**-**
Budget	**$**	**12,000,000**
Costs recovered from other sources	**$**	**-**
Budget (plus other costs)	**$**	**12,000,000**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		-
Lifecycle Net Therms		-
Cost Effectiveness		
TRC		
Costs	$	4,800,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
PAC		
Costs	$	12,000,000
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-

STATEWIDE MARKETING AND OUTREACH PROGRAMS

2006-2008 Energy Efficiency Concept Paper
Flex Your Power Statewide Marketing and Outreach

1. Projected Program Budget: $45,000,000 statewide
The SoCalGas portion of the 2006 – 2008 statewide budget for the Flex Your Power marketing and outreach program is $4,419,099.

2. Projected Program Impacts
Flex Your Power statewide marketing and outreach program is unique in that it supports and complements other energy efficiency programs and focuses on the broader goal of heightening consumer understanding of the benefits of energy efficiency. It serves as the "call to action" that leads to increased purchases of energy-efficient products and supports all other energy efficiency programs. While Flex Your Power does generate energy savings, like other information-only programs, it is difficult to determine the energy savings directly caused by the program. The *Energy Efficiency Policy Manual Version 3,* Rule IV.9, recognizes this issue, stating, "For statewide marketing and outreach programs and information-only programs, the link between programs and savings is difficult to discern."

3. Program Cost Effectiveness
Under CPUC guidelines for 2006-08 programs, statewide marketing and outreach programs are not subject to cost-effectiveness tests: "The Commission and program administrators will need to consider factors and performance metrics other than the TRC and PAC Tests of cost-effectiveness when evaluating such program [statewide marketing and outreach programs and information-only programs] proposals for funding and when evaluating their results." (*Energy Efficiency Policy Manual Version 3,* Rule IV.9.)

4. Program Descriptors

Market Sector:	Residential/Nonresidential - All sectors (Commercial, industrial, Government, agricultural and residential)
Program Classification:	Statewide
Program Status:	Existing

5. Program Statement

Introduction
The Flex Your Power statewide energy efficiency marketing and outreach program, managed by the Efficiency Partnership (EP), is an extension of the innovative and historically successful *Flex Your Power* public education and outreach effort initiated by the State of California in 2001. The program works in partnership with the investor-owned utilities (IOUs), third parties and thousands of businesses, local governments, water agencies, non-profits and others including the state and federal government agencies with responsibility for energy and water efficiency. The campaign targets all sectors: commercial (including small businesses and hard-to-reach), industrial, governmental, institutional (including schools), agricultural and residential (including single-family, multifamily and hard-to-reach audiences.)

The campaign's goals are (1) to educate Californians on the energy, financial and environmental benefits of energy efficiency; (2) to motivate them to take action to achieve lasting energy

efficiency; and (3) to support the energy efficiency programs of the Investor Owned Utilities (IOUs), third-party program providers and other organizations. The campaign achieves these goals through 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.

To ensure cost-efficient and effective marketing and outreach, the campaign will continue to coordinate closely with IOUs, municipal utilities, water agencies, non-utility program providers, manufacturers, retailers of energy-efficient products, contractors and other energy efficiency service providers. The campaign also coordinates closely with demand response and renewable energy generation marketing and outreach programs including a combined energy efficiency/demand response Flex Your Power campaign. The statewide campaign delivers a widely recognized, clear, concise and compelling call-to-action message of energy efficiency. The 2006-08 effort will continue to build on the relationships, successes and momentum of the past five years, and add innovative new marketing and outreach tools targeted to each sector and supporting all energy efficiency programs.

California's economy and population are expected to grow over the next three years, which means that, without action, so will the state's demand for electricity. In fact, energy consumption is projected to grow by as much as 2% annually over the next 10 years. Given projected supply constraints caused by older plants being taken offline, slower than expected construction of generation plants and low wind and hydro production, California will face significant challenges in ensuring adequate electricity supplies on especially during peak periods at our current growth pace. By 2006, the California ISO projects a supply deficit of 2,335 megawatts.

The state's energy agencies – the California Energy Commission (CEC), the California Public Utilities Commission (CPUC) and the California Consumer Power and Conservation Financing Authority – outlined a new loading order for future energy policy to ensure California has reliable, affordable and environmentally sound energy. Specifically, the Action Plan places energy efficiency, energy conservation and demand response first and foremost among the solutions to secure new energy. The administration also enacted policies to ensure California could meet its future energy needs. On December 15, 2004, Governor Schwarzenegger signed the Green Buildings Executive, which set a goal of reducing electricity used in existing government and private commercial buildings by 10% per square foot by 2010 and 20% per square foot by 2015 through energy efficiency, demand response and renewable energy generation. The Order also mandated that all new and renovated buildings paid for with state funds be certified as Leadership in Energy and Environmental Design ("LEED") Silver standard or higher, and that office spaces and office equipment leased or purchased by the state be Energy Star-qualified where cost-effective.

However, there is no single or simple mechanism the State can use to reduce energy use. As we learned in the energy crisis, successfully reducing energy use will take the actions of virtually all residents, businesses, governments and other entities. Also, given the combination of California's large market size – more than 11 percent of the nation's gross domestic product – and serious commitment to energy efficiency – greater and sustained investment in energy efficiency than any state in the nation – California is in a position to exert enormous leverage

over the design, manufacture and supply of energy-efficient products and services. The challenge facing the State is to implement a comprehensive, well-executed public education and outreach campaign to encourage behavioral change, drive energy users to the programs and products that will help them save energy and increase private sector investment in energy efficiency.

The lessons learned during the 2001-02 energy crisis as well as Energy Star sales data showing increased sales of energy-efficient equipment and products over the last five years demonstrate that Californians can be motivated to reduce energy use through education. Key to the success of encouraging all sectors to take advantage of cost-effective energy efficiency is to support a statewide marketing and outreach program that can overcome several informational and financial barriers to public and private sector investments in energy efficiency. Specifically, we need to:

- *Ensure marketing and outreach continuity*. To be effective, statewide marketing and outreach programs need long-term planning cycles to build and maintain lasting relationships, cost-effectively take advantage of mass media strategies and leverage additional public and private resources to make the most of the limited funding available. Manufacturers and retailers of energy-efficient products plan their production and marketing programs eighteen months to three years in advance and can only coordinate their plans with utilities and educational efforts with similar long-range cycles. Longer planning cycles and cooperation are equally important to the customers of energy-efficient products and services. Local governments, water agencies and businesses of all sizes are more likely to incorporate energy efficiency into their long-term capital outlays planning and budget allocations if program and incentives (including public recognition) are certain. Finally, continuity is needed to enable programs to secure mass media – television, radio and newspaper – several months in advance, and therefore at a much lower cost.

  In the past years, the California Public Utilities Commission (CPUC) has helped foster California's leadership in energy efficiency by supporting statewide marketing and outreach programs and calling for program continuity and multi-year funding.

- *Provide constant information*. Consumers must have constant and consistent messages to take action. This is important for several reasons. First of all, consumers make the decision to purchase major-cost items, such as appliances and new homes on a three-year or longer timeframe. Therefore, messages must be constant from year to year to remind consumers when they are making decisions. Secondly, without the daily presence of energy issues in the news (which occurred during the 2001-02 Energy Crisis), Californians need to be constantly reminded to take action. Focus group and other research found that although Californians are much more aware of energy conservation and efficiency measures after the energy crisis, reminders through ads, the press, their peers and other means are the key to ongoing behavior changes. In fact, the public wants and appreciates these reminders. Finally, to break through the "noise" in the public consciousness and its ever-changing environment requires sustained and consistent messages.

- *Provide compelling information*. To effectively communicate to consumers through mass media, the Internet and other forms, the messages conveyed must be clear, compelling and concise. Consumers must be able to understand the importance of energy efficiency

and see the value in considering it in their purchase decisions. Programs have to find the right tone and motivators for a wide range of customers. For example, market research has consistently shown that businesses are motivated by energy market (reliability) and financial (energy price and profitability) concerns. While residents are also concerned about money and reliability, social responsibility (helping others, or their neighborhood) plays an equally important role.

- *Provide consistency and coordination across the state*. In order to avoid confusing customers and amply compelling messages, California needs a statewide marketing and outreach effort to coordinate messages and timing with the myriad of programs offered by program providers in the state – IOUs, municipal utilities, water agencies, manufacturers, retailers, third parties and contractors. A statewide effort, for example, can build relationships and outreach to corporate businesses with facilities that cross service territories or local government boundaries and provide a complete package of available resources and tools. Also, statewide marketing and outreach programs can take advantage of strategies that may be unavailable or not cost effective for regional efforts, such as broadcast media. Finally, with statewide coordination and consistency, larger manufacturers and retailers can reliably plan their production and marketing programs to include energy efficiency; their marketing campaigns are statewide rather than regional.

- *Leverage resources to promote energy efficiency*. Given their limited funding, energy efficiency marketing and outreach programs need to leverage private sector and other resources. California needs significant public and private investments in marketing energy efficiency. Flex Your Power successfully utilizes advertising and public recognition as an incentive to recruit retailers, manufacturers, builders and other stakeholders to sell energy-efficient products, distribute educational materials, augment energy efficiency marketing and outreach funding, and invest in energy efficiency within their own facilities. Other strategies including sharing information and developing joint marketing and outreach initiatives with public and private entities as well as other related outreach efforts such as water conservation or demand response programs.

6. Program Rationale

<u>The Flex Your Power campaign address the above-mentioned problems by:</u>

Ensuring marketing and outreach continuity. The Flex Your Power campaign will:

- Build on the existing momentum, structure, partnerships, marketing and outreach materials and plan, and strategies. Any other campaign would have to start from scratch.
- Continue to work with existing and build new relationships with sector leaders across the state. Since 2001, the campaign has established partnerships and built relationships with thousands of entities in all sectors.
- Build on the equity of the campaign's near universal and universally favorable "call to action" to save energy.

Providing constant information. The Flex Your Power campaign will:

- Continue to employ all message delivery vehicles, including paid and free media, outreach and partnerships, to reach a significant portion of all sectors (commercial, industrial, government, agriculture, and residential) of the state.

- Continue to develop proven marketing and outreach tools to support all energy efficiency programs, including its television, radio and newspaper advertising, partnerships, and its comprehensive website, events and electronic newsletter.

Providing constant and compelling information. The Flex Your Power campaign will:

- Convey the energy, financial and environmental savings potential of energy efficiency measures through existing and innovative new marketing and outreach efforts.
- Utilize market, focus group and other research to develop compelling messages for all sectors.
- Continue to communicate that energy efficiency measures are not hard, are cost effective and save money; communicate that by "working together" we can all secure reliable, affordable energy, and, of course, call on Californians to make saving energy a way of life.

Providing consistency and coordination across the state. The Flex Your Power campaign will:

- Serve as a statewide platform for energy efficiency marketing and outreach and communicate across service areas, private sector market territories and media markets. As a statewide program, Flex Your Power is uniquely positioned to accomplish this goal.
- Provide opportunities for regional and local educational efforts to benefit from identification with the Flex Your Power umbrella campaign and its consistent and compelling messages in a way that would be cost prohibitive for them to undertake individually.
- Expand the involvement of, and support for, all utility, public and private energy efficiency providers in a coordinated statewide educational effort.
- Continue to work with partners to coordinate their communications to reduce confusion, eliminate duplication, and amplify everyone's messages.
- Keep all stakeholders and participants in the campaign up to date and alleviate problems associated with miscommunications through regular meetings (e.g., the 2005 Energy Summits with the Governor's office), the Flex Your Power website and e-Newswire.
- Host the Flex Your Power website as a one-stop, statewide resource for information about energy efficiency for all sectors, eliminating the redundancy and inefficiency of having all sites gather this information. A single resources allows all providers to focus their website information on their programs. Through crosslinks, Flex Your Power will drive customers to providers' sites.

Leveraging resources to promote energy efficiency. The Flex Your Power campaign will:

- Augment the marketing and outreach scope and reach with municipal utility, water agency, government and private sector marketing and outreach support, delivery structures, messages, relationships and customer knowledge and trust. The result is a more cost-effective energy efficiency marketing and outreach campaign.
- Enable retailers, manufacturers and contractors to market their energy-efficient products and services regardless of utility service territory. Every program dollar is stretched further, achieving greater impact of existing efforts.
- Partner with the California Urban Water Conservation Council and the American Council of Water Agencies, and water agencies across the state on a joint campaign to educate the public on saving energy by saving water. The campaign will also work its many manufacturer partners that produce energy/water-efficient products.

- Provide integrated marketing and outreach of energy efficiency and demand response to all sectors to magnify the limited marketing and outreach dollars of both efficiency and demand response assuming ongoing funding for Flex Your Power NOW!. Flex Your Power will incorporate the Flex Your Power Now! demand reduction messaging into the overall energy campaign and achieve efficiencies in advertising and outreach by promoting conservation, load shifting and long-term energy efficiency in one clear, consistent and compelling message.

Flex Your Power is being advanced instead of other program approaches.
The IOUs plan to continue the Flex Your Power Statewide Marketing and Outreach Campaign for the 2006-2008 program cycle based its success over the past four and one half years, the campaign's ability to build upon this success and the enormous equity, awareness and relationships the campaign has with major players in all sectors California.

Flex Your Power has established a near universal and favorable awareness of its "call to action" to save energy. The relationships that the campaign has built with private and pubic entities and the near-and long-term marketing and outreach strategies the campaign has developed, working hand-in-hand with IOUs and third party program providers, have helped California maintain leadership nationally and in the world in the arena of energy efficiency. As a statewide campaign not restricted to territories or markets and with a history of working with hundreds of entities, the Flex Your Power campaign delivers clear, compelling and consistent information across service territories and government boundaries through strategies and means of communications not available to individual efforts. Flex Your Power successfully and cost-effectively uses mass media, the Internet, partnerships, educational materials and other outreach strategies to reach virtually the entire population of California institutions to save energy immediately and lock in the savings for years to come. The continuation of the Flex Your Power campaign builds on the existing momentum, partnerships and strategies without wasting money and resources to reinvent the wheel.

Over the years, Flex Your Power has also successfully addressed the challenge of coordinating the programs and messages of California's providers of energy-efficient products and services – IOUs, municipal utilities, water agencies, manufacturers, retailers and contractors. California is now leveraging the additional funding and resources of the private sector — money left on the table in past years — to further augment and amplify the State's energy efficiency messages. Several examples highlight Flex Your Power success in building leveraging partnerships with the private sector including:

- Retailer's sales of energy-efficient appliances doubled during one week after running three co-op ads with Flex Your Power.
- Co-op brochure developed with a retailer and Flex Your Power, which was distributed by retailer's service technicians and included a "10% off ENERGY STAR appliances coupon," (funded by the retailer) produced an estimated 1,300 coupon redemptions in just three weeks (plus numerous secondary sales of ENERGY STAR products).
- Manufacturing partner's co-op direct mail piece with Flex Your Power led to a 70% increase in wholesale orders of high-efficiency clothes washers in California over two months. One store reported that they sold more during the single Flex Your Power promotion weekend than they usually sell in one month.

- Retail partner sales of energy-efficient lighting jumped over 400% during an off-peak sales period due to header board displays and ads developed jointly with Flex Your Power and a major energy-efficient lighting manufacturer.

7. Program Outcomes

The overarching goal of the Flex Your Power campaign is 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. As such, the campaign seeks to:

- Educate all Californians on the economic, environmental and system reliability benefits of energy efficiency;
- Motivate all sectors to commit to take action to achieve lasting energy savings;
- Support the energy efficiency programs of the Investor Owned Utilities (IOUs), third-party program providers and other organizations; and
- Facilitate marketing and outreach coordination between program providers, other energy industry stakeholders and customers from all sectors through planning forums and educational events.

8. Program Strategy

The 2006-08 Flex Your Power statewide energy efficiency marketing and outreach 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. The program works in partnership with the investor-owned utilities (IOUs), third parties and thousands of businesses, local governments, water agencies, non-profits and others including the state and federal government agencies with responsibility for energy and water efficiency. Many of these entities are well underway in planning activities with Flex Your Power for 2006 and beyond.

To ensure cost-efficient and effective marketing and outreach, the campaign will coordinate closely with all the abovementioned entities. The campaign will also coordinate with demand response and renewable energy generation marketing and outreach programs including Flex Your Power NOW!, which is an existing partnerships between the IOUs, the ISO, CEC the administration and Flex Your Power.

9. Program Objectives

A major objective of the campaign is to maximize targeted reach and frequency. This includes: building the subscriber base of the e-Newswire; continuing to drive traffic to Flex Your Power's and program providers websites; building new, and expanding existing, partnerships across all sectors; and reaching the public through mass media (reach 95 percent (95 percent is highest possible) of the target market, at a frequency of 38 times through the joint energy efficiency and demand response program).

Another objective is to drive traffic to IOU and third party programs. Once these programs are approved by the CPUC, EP will work with program providers on specific strategies goals.

Finally, EP seeks to increase investments in energy efficiency and will work with partners across all sectors to encourage them to commit to savings goals and share – through Flex Your Power's case studies, best practice guides, year-end congratulation ads and awards – their progress.

10. Program Implementation

10.1 Residential Sector

The primary strategy EP will use to reach, educate and motivate the general public is through mass media. EP will continue to produce clear, compelling and consistent messaging for television, radio and newspapers to encourage California residents to always consider energy efficiency when purchasing products or designing projects. The message will build on the success and recognition of the statewide Flex Your Power campaign.

As was done in 2004, EP will continue to refine media buys to ensure broadcast messages have the greatest impact on targeted markets. For instance, the general market media buy will reflect a targeted approach to reach those residents that are most likely to purchase energy-efficient products and appliances. These Californians have specific and identifiable television viewing and radio listening habits. Combined with the multi-media mix, the targeted media buys will enable EP to continue to frequently reach the target audience and during the times they are most likely to be watching television or listening to the radio. Through these various media, 94.5 percent of the target audience will be reached. To these same markets, the target audience will be reached an average of 19.2 times with the messaging.[1] The combined demand response and energy efficiency campaigns will increase the overall reach to 95 percent (95 percent is highest possible) and frequency to 38 times.

The media buy will also be run seasonally to help ease strain on the system during seasons with high peak demand (e.g., media may run more frequently during the summer months and the hot month of September to keep energy at the top of residents' minds).

The Flex Your Power campaign will explore other mass-media opportunities, including online, direct mail and outdoor. Equally important, EP will incorporate and coordinate where appropriate demand response and renewable energy generation messages into the overall efficiency messages to magnify the limited marketing and outreach dollars of both efficiency and demand response and provide a complete array of energy-saving solutions to customers.

The Flex Your Power campaign will also reach residents through partnerships:

- *Ethnic media partnerships*. The Flex Your Power campaign will continue to build and expand relationships with ethnic media publications to reach non-English speaking residents. These communities are difficult to penetrate given geographic and language barriers. The goal of the partnerships is to leverage key ethnic publications' influence within their readership base to drive awareness of and traffic to energy-efficient products and programs. Ethnic media outlets serve as both a news source and a respected voice in the communities they serve. As a cultural and information hub, ethnic media plays a critical role in raising awareness about energy efficiency among their readers/viewers.

[1] Reach is the percentage of the target audience that is being reached with the message. Frequency is the average number of times that the target is being reached.

The Flex Your Power campaign will continue to coordinate advertising with partner publications to outreach to their readers, which represent 16 different ethnicities and 13 different languages. Advertising, co-developed with the ethnic press, will follow the overarching themes of the general market campaign and be culturally relevant to the audience. Potential joint outreach strategies between Flex Your Power and partner publications include educating residents and businesses through events and editorial content (press releases, op-eds or articles); creating web links between media's and Flex Your Power's websites; and communicating regularly to ethnic community leaders. Through the e-Newswire and events, the Flex Your Power campaign will keep ethnic publishers and broadcasters abreast of energy efficiency news, programs and opportunities and provide informative content on energy efficiency.

- *Partnerships with retailers and manufacturers*: The Flex Your Power campaign will continue to work to increase private sector involvement and investment in the marketing and outreach campaign. While EP will develop some common statewide marketing and outreach materials in conjunction with industry stakeholders, the Flex Your Power campaign will primarily focus on exploring opportunities for ongoing cooperative marketing and outreach partnerships and to leverage manufacturer incentives and promotion funding for other direct-to-consumer and direct-to-retailer efforts. For instance, the Flex Your Power campaign will roll out a statewide all-appliance recycling campaign in partnership with Lowe's Home Improvement and Adams Steel and that supports California's recycling program. The program, the first all-appliance recycling program in the United States, was initially launched in 2005 whereby Flex Your Power worked with Lowe's and Adams Steel to place large (10" x 4') recycling containers at 18 Lowe's stores throughout Southern California. Under the agreement, Adams Steel agreed to recycle old appliances if customers purchased an Energy Star appliance from Lowe's. Flex Your Power produced marketing materials for the program, including billboards for the containers, which were seen by hundreds of thousands of people. Lowe's and Adams Steel paid all other costs of this program. Lowe's will roll out the program statewide in 2006 in partnership with Flex Your Power due to the success of the Southern California pilot. All cooperative efforts will be coordinated with the IOUs. The result will be creative marketing and outreach tools that continually remind customers to take action.

The Flex Your Power campaign will also continue to facilitate the advancement of new energy-efficient products and appliances by working with and coordinating with the CEC and manufacturers as they work to create more energy-efficient products. For instance, the Flex Your Power campaign in partnership with the CEC, GE, Phillips Lighting and other lighting manufactures will launch a marketing and outreach initiative in 2006 to not only continue to increase the sale of compact fluorescent lamps (CFLs), but also test the market acceptance of new efficient incandescent bulbs. Planning for the initiative began in 2005, when the CEC considered lighting standards to increase the efficiency of incandescent light bulbs by as much as 10%. The vast majority of residents still use incandescent lighting; therefore, these standards will deliver large energy savings for the state. The CEC enlisted Flex Your Power, and Flex Your Power has been working with national lighting manufacturers and retailers to develop a comprehensive efficiency lighting campaign for 2006-08. Since, the manufacturers and retailers require long-lead times to research, produce, and ship the planned marketing devices (e.g., end-caps, shelf space, and advertising) the CEC's and Flex Your Power's early

involvement has been essential to initiating and implementing the campaign. All parties anticipate an increase in CFL sales as an integral part of the effort.

The Flex Your Power campaign will continue to coordinate with national, regional and other California energy efficiency promotions, including those run by Energy Star, utilities, third parties and water efficiency campaigns. The result will be greater awareness of each program, promoted measures, and the overall message of efficient use of resources.

To increase awareness, demand and availability of energy-efficient products, the Flex Your Power campaign will also communicate regularly with retailer and manufacturer partners through e-Newswire, partnerships with program providers, and personal contact. EP will challenge manufacturers and retailers to make long-term commitments to energy efficiency and will track their success in meeting the goals.

- *Partnerships with the residential new construction industry.* The Flex Your Power campaign will continue to support to new home builders to increase customer awareness of Energy Star homes, support utility, third-party and Energy Star new homes programs, help move California's building industry toward greater overall efficiency goals beyond Title 24, and accelerate implementation of future Title 24 measures and standards. To meet these goals, EP will convene industry leaders with utilities, state agencies, water agencies and others to lead new homebuilders to programs and resources and gather commitments from them to build energy-efficient new homes. EP will also continue to communicate and coordinate with the building industry, providing updates and resources to builders so that they can permanently incorporate energy efficiency into their business plans. EP will continue to develop best practice guides on building new homes with assistance from industry associations and the IOUs. EP will also explore the potential of further developing the Flex Your Power website to serve as a tool and resource for builders, realtors and homebuyers. The result will be co-developed, creative and consistent marketing and outreach tools.

- *Partnerships with water agency partners/water campaign*. There are numerous synergies between water and energy efficiency strategies. Joint water and energy efficiency campaigns lead to higher customer awareness and offer manufacturers and retailers larger coordination and sales opportunities – many water-efficient appliances are also energy efficient. EP will continue to communicate regularly with water agencies to coordinate statewide efforts and events and integrate wherever appropriate water efficiency into the overall Flex Your Power campaign. Also, to augment the reach of energy efficiency marketing and outreach, Flex Your Power will continue to urge these agencies to commit their resources in support of the Flex Your Power campaign. For example, in a partnership with the California Urban Water Conservation Council and the American Council of Water Agencies, Flex Your Power will work with water agencies and manufacturers of water-efficient products on a joint campaign to educate the public on saving water and saving energy in 2006-08. The campaign will develop coordinated promotions for Energy Star clothes washers and dishwashers.

Flex Your Power will recognize the successful efforts of these partners – manufacturers, retailers, new home builders and water agencies – in helping to increase energy efficiency for California residents through the Fifth (2006), Sixth (2007) and Seventh (2008) Annual Flex Your

Power Awards. The winners will receive publicity for their achievements as an incentive for implementing innovative programs and will be highlighted in case studies, on the Flex Your Power website and in e-Newswire so that other entities can learn from their success. Their leadership and energy savings measures will be highlighted in congratulatory newspapers ads run statewide.

To reach and educate residents the Flex Your Power campaign will also continue to host, build and expand the Flex Your Power website as a one-stop, statewide resource for information about energy efficiency. The Flex Your Power campaign will keep the web content for residents timely, useful and relevant through regular communication and coordination with energy efficiency program providers and other stakeholders. The website will continue to provide:

- All energy efficiency, demand response, and water efficiency programs (including rebates, grants, loans, technical assistance, classes, and audits offered by utilities, 3rd parties, water agencies, municipal utilities, the private sector and other providers).
- Energy efficiency product guides describing the benefits and savings potential of high-efficiency products/equipment, operating and purchasing tips and lists of major manufacturer.
- Store locator for energy-efficient products, enabling visitors to find stores near them, by distance and address. These stores have committed to Flex Your Power to sell specific energy-efficient products.
- Links to relevant information, program providers and other sites to drive traffic to the programs and services offered by the IOUs, third parties and others.
- Additional tools to assist in the promotion and support of these programs.
- Information in Spanish and Chinese.

Finally, EP will continually explore new marketing and outreach opportunities. EP will explore possible programs include educational programs for schools, developed in coordinated with the IOUs and possibly modeled after the successful 2001-02 Flex Your Power school programs.

10.2 Commercial and Industrial Sector

To encourage action among businesses requires educating them about energy market (reliability, price) concerns, publicly recognizing their positive efforts, and securing decision-maker buy-in within each company and within the business community. As such, Flex Your Power's outreach will continue to involve working with the campaign's existing business and business association partners recruited over the past four and one half years as well as to new businesses recruited by staff and with assistance from program providers and trade associations.

One step in this initiative is to convene commercial and industrial sector businesses, representing diverse industries and sizes, to meet with utilities, state agencies and other stakeholders to provide these organizations access to tools and resources to help them set and meet long-term energy goals, as well as learn about successful programs from peers in their industry. The Flex Your Power campaign will continue to challenge organizations to set energy efficiency goals based on the goals of the Governor's Green Building Initiative and the Energy Action Plan. Major events will be modeled after the successful summits held statewide in 2005, which drew participation from more than 1,000 businesses and included participants from the state agencies,

the Governor's office, business organizations, IOUs, water agencies, municipal utilities, and others. The Flex Your Power campaign will also convene facility manager trainings in partnership with business organizations and the IOUs and modeled after the pilot program developed jointly in 2005 with the Building Owners and Managers Association (BOMA). The 2006-08 training program will include facility manager "workbooks" and best practice guides produced by Flex Your Power and training programs co-hosted by business organizations and the IOUs. Flex Your Power will write and use these best practice guides and training workbooks and use them as the basis for trainings in different industry groups. For instance, the California Sustainable Wine Growers Association has agreed to host the training sessions with 800 wineries. Warehouses, hotels and motels, and other subsectors will be approached to do the same. In each case, the businesses will be encouraged to avail themselves of IOU and third party programs.

Secondly, the Flex Your Power campaign will communicate regularly with businesses partners, following up with them through Flex Your Power's e-Newswire, the Flex Your Power website, educational materials, regional updates and other means. Flex Your Power will provide these partners with consistent and up-to-date information including programs, articles, product information, and policy information to continually help them invest in energy efficiency. For example, the Flex Your Power campaign will continue to write and disseminate industry-specific case studies and best practice guides on a wide range of successful projects to provide guidance on investment in energy efficiency. The Flex Your Power campaign will work with program providers and partners to identify successful projects, as well as report on the Flex Your Power award winners. The primary focus of the studies will be program elements, budget, results and lessons learned. The materials will be displayed on the Flex Your Power website and promoted via e-Newswire and through Flex Your Power campaign partner organizations. Additionally, with assistance from program providers and business leaders, EP will continue to develop the Flex Your Power website. Where appropriate, EP will form partnerships with business publications that allow the campaign to contribute editorial content or other value-add options in exchange for advertising.

Finally, the Flex Your Power campaign will publicly recognize businesses' efforts in the Fifth (2006), Sixth (2007) and Seventh (2008) Annual Flex Your Power Awards. The winners will receive publicity for their achievements as an incentive for implementing innovative programs and will be highlighted in case studies, on the Flex Your Power website and in e-Newswire so that other entities can learn from their success.

Consistent with the IOUs programs and assuming ongoing demand response funding, the Flex Your Power campaign will integrate demand response and renewable energy marketing and outreach when appropriate to the commercial and industrial sectors. Often organizations consider all of these energy strategies together – energy efficiency, demand response and renewable energy generation – when planning capital investments and improvements. By integrating them in the marketing and outreach, Flex Your Power will achieve efficiencies and ensure more consistent and compelling messages.

10.4 Contractors

Nonresidential and residential contractors are a valuable resource to introduce and educate residents and businesses about energy-efficient products – the majority of home improvement and facility retrofit projects are undertaken under the guidance of a contractor. To support the

IOUs extensive outreach to and programs for contractors, especially HVAC contractors, Flex Your Power will convene events similar to those for residential new homebuilders described above. EP will also produce best practice guides and case studies in coordination with industry and IOUs. Where appropriate, EP will co-develop and produce with the help of utilities third parities, and manufacturers of energy-efficient products, customer educational materials to be distributed by contractors.

10.5 Government Sector

As stated above, Governor Schwarzenegger signed the Green Buildings Executive Order requiring increased investments in energy efficiency for state-owned buildings and urged the Flex Your Power campaign to assist in the marketing and outreach. EP's outreach to government facilities – including state, local and water agencies – in 2006-08, will focus on urging that government decision makers to make commitments and develop strategies to meet the goals and have the access to resources, information and tools offered by the IOUs, third parties and others like the CEC, to meet those goals. EP will also ask local government partners to provide assistance in reaching businesses, small businesses, and residents.

This outreach will be modeled after the successful commercial and industrial sector outreach program described above. First, the Flex Your Power campaign will invite local government and state agencies representatives to larger regional events with businesses, as well as host events that specifically target government needs. For example, the Flex Your Power campaign would host events that focus on how to finance public energy efficiency projects. In partnership with utilities and state agencies, the Flex Your Power campaign will also tailor facility manager "training" programs and materials for government officials, providing guidance on investing in energy efficiency, from retrofitting city facilities to outreaching to the community.

Secondly, to keep government decision makers abreast of programs, products, resources, and other information, EP will regularly communicate with partners through e-Newswire, the Flex Your Power website, and other means including continued participation in their association meetings (e.g., local government and public information officers). Again, EP will integrate demand response and renewable energy marketing and outreach, when appropriate, to government facilities.

Finally, EP will publicly recognize innovative government and water agencies efforts in the Fifth (2006), Sixth (2007) and Seventh (2008) Annual Flex Your Power Awards. The winners will receive publicity for their achievements as an incentive for implementing innovative programs and will be highlighted in case studies, on the Flex Your Power website and in e-Newswire so that other entities can learn from their success. Leaders will also be recognized in year-end congratulatory ads.

10.6 Institutional Sector

Outreach to medical facilities and schools will be integrated into Flex Your Power commercial sector outreach initiatives.

In 2006-08, the Flex Your Power campaign will also explore opportunities to augment school IOU and third party programs with statewide marketing and outreach support including:

- Partnering with program providers to enhance their marketing and outreach components and/or bring higher awareness of the statewide effort to cut energy use to the programs.
- Building out the schools section on the Flex Your Power website, including updating the database-driven locators with program information and exploring opportunities to co-produce content.
- Providing consistent information to school administrators, teachers and others.

10.7 Agricultural Sector

EP will continue to incorporate agricultural outreach to processors into the Commercial and Industrial Initiative and work with water agencies to market energy efficiency in relation to pumping and irrigation programs. EP will convene leaders, communicate through e-Newswire, continue to build out the section of the Flex Your Power website dedicated to agriculture, promote successful programs through the Flex Your Power awards. Leaders will also be recognized in year-end congratulatory ads. The best practice guides being developed with the wine industry for training of wineries will be expanded to include all agricultural customers and they will likewise be convened for trainings and to connect to program providers.

11. Customer Description

The Flex Your Power campaign targets all customers and market segments and actors in the state, including hard-to-reach. Customers include:

- Residents: English-speaking, non-English speaking residents.
- Commercial: large commercial facilities (e.g., office buildings), lodging and hotel facilities, supermarkets, small commercial (small retail and restaurants) and medical facilities.
- Industrial: fabrication, process, heavy industrial manufacturing, hi-tech facilities and wineries.
- Government: state government facilities, local government facilities and water agencies.
- Institutional: schools and colleges
- Agriculture: irrigation and processing (integrated into industrial outreach)

12. Customer Interface

The Flex Your Power campaign will work and coordinate with IOUs, third parties and other program providers to develop materials, events, the Flex Your Power website and other outreach strategies that provide program information using consistent and compelling messages. By coordinating the messages under the statewide umbrella Flex Your Power education campaign, IOUs and program providers can reduce or eliminate the confusion that would otherwise occur as customers hear competing messages, inconsistent programs and inadequate information upon which to make buying decisions.

13. Energy Measures and Program Activities [2]

13.5. Quality Assurance and Evaluation Activities

The Flex Your Power campaign will regularly ensure that the marketing and outreach program provides the most effective strategies to educate and motivate all sectors. EP will work with

[2] Not all of the categories in the Program Plans template applied to Statewide Marketing and Outreach Programs.

formal and informal working groups from each sector, such as BOMA, as well as regionally, such as Flex Your Power Silicon Valley, to continue to improve and coordinate programs. EP will also meet regularly with the IOUs to find the most effective ways to promote programs help the utilities meet their goals.

The Flex Your Power campaign will also evaluate the program through a more formal evaluation process using same approaches that were approved by the CPUC for the past four and one half years and recommended for 2006-08. As outlined in CPUC Decision 05-04-051 (page 56), the performance basis of statewide marketing and outreach programs will be based on:

1. "Any direct energy savings impacts attributable to the activity;
2. The intention to act, if no direct impacts are possible to measure; and
3. The reach of the advertising/marketing activity, the frequency of the activity and the leveraging of ancillary resources that comes from the activity."

The evaluation will include:

Consumer focus groups

The overall aim of the consumer focus group research is to assess a range of Flex Your Power messages against a series of communication objectives. The research will evaluate:

- TV commercials
- Radio commercials
- Newspaper advertisements
- Educational and sales support materials and other educational materials
- Materials and advertising produced through cooperative partnerships

The focus group research method proposed by the research firm is a "Hybrid" research model that includes both qualitative and quantitative components. The Hybrid method includes an in-depth discussion of each communication piece led by a skilled moderator with experience in the category, plus a numerical scoring of each piece against a number of set criteria. The Hybrid qualitative/quantitative method represents the "best of both worlds" and uses a sample size that is large enough to approach quantitative statistical significance. Furthermore, it resolves some of the limitations of quantitative communications testing by allowing in-depth probing and the ability to truly discover why (or why not) consumers find an advertisement motivating. By using both qualitative and quantitative testing, the Hybrid method provides a more accurate examination of effectiveness across different media and the overall campaign.

The evaluation will include six to eight focus groups consisting of eight to nine per group, which would provide an approximate sample size of 65. The Flex Your Power Campaign evaluation will be coordinated with the Staples/Univision and RSE marketing and outreach effort.

In the Hybrid method, the interview is more structured than typical qualitative focus groups. After a brief warm-up discussion:

1) Each communication piece is shown to consumers (in a random order over the total project).

2) Before any group discussion, each piece is then scored on a scale of 1-5 on a number of measures such as *"Level of Appeal"* and *"Makes Me Interested In Energy Efficiency."*
3) The focus group respondents then discuss their reaction and impressions of that communication, but are not asked to justify their scores.
4) The next communication piece is then exposed, scored and discussed.
5) The final report with the Hybrid method contains both in-depth attitudes as well as scores for each communication piece.

Advertising reach and frequency verification

Targeted rating points (TRPs) are input into a third-party computerized reach and frequency program developed by Telmar. The program utilizes the most up-to-date, media industry standardized reach and frequency statistical curves from independent sources like Nielson. The program takes into account the demographic target, selected daypart[3] mix, media type, and individual market characteristics to calculate average reach and frequency. If multiple media types are used, an additional independent program incorporates various media types to calculate an overall reach and frequency estimate.

Also, the Flex Your Power campaign will repeatedly reconnect with businesses, local governments and others that make energy savings commitments, attend Flex Your Power events, etc., to solicit information on their accomplishments in energy efficiency (e.g., increase energy efficiency of an office building, sell more energy-efficient products). The incentive to encourage these entities to report their accomplishments are recognitions in best practices guides, the Flex Your Power website, in awards and other outreach materials. The results will be used to guide partners, to educate others through in best practice guides and advertising, and as one of the determinate for selecting Flex Your Power award winners.

13.6. Marketing Activities

Marketing activities are all described above.

[3] Daypart Mix is the allocation of media weight (generally expressed in targeted rating points--TRPs) across standardized divisions of the broadcast day.

2006-2008 Energy Efficiency Concept Paper
Reach for the Stars—Energy Efficiency Campaign

1. Projected Program Budget

$7.5 million for 3 years, distributed evenly on an annual basis. The SoCalGas portion of the 2006 – 2008 statewide budget for the Reach for the Stars marketing and outreach program is $736,500.

2. Projected Program Impacts

The *Reach for the Stars* marketing campaign is a comprehensive statewide energy efficiency communications effort designed to encourage residential energy users in rural areas to make permanent upgrades to their homes and to participate in statewide gas and electric energy efficiency activities.

3. Program Cost Effectiveness

Not applicable.

4. Program Descriptors

Market Sector: Rural
Program Classification: Statewide
Program Status: Existing:

5. Program Statement

In California, a typical homeowner is spending more on electricity than necessary. In fact, the average household could cut up to one-third of its current energy bill by switching to energy-efficient appliances, equipment and lighting, which use less energy than standard products. For rural communities, this issue is especially critical, given they are often situated in remote areas with extreme summer and/or winter climates and significantly greater electricity and/or natural gas requirements. They also historically have been underrepresented in energy efficiency programs. The rural campaign exposure is critical to the overall effectiveness of the California Public Utilities Commission's (CPUC) energy efficiency effort because many California communities are under-reached by traditional mass-market media.

6. Program Rationale

By extending RS&E's contract to implement one of three statewide energy efficiency marketing and outreach programs through 2008, we will be able to maintain the momentum built during the last three years. Since RS&E was awarded this contract in April 2003, we have made notable headway within the rural communities of California. However, ongoing education is imperative in changing people's attitudes and purchasing behaviors and creating social norms where communities and individuals understand and act responsibly when it comes to saving energy. Our program's advertising, public relations and grass roots outreach components, which have a synergistic effect in the rural communities, are intended to teach consumers about ways to reduce their energy consumption, while emphasizing long-term residential improvements.

As noted above, this program has been extremely successful in reaching the rural consumers in IOU territories and delivering energy efficiency messages. Some highlights of our 2004 campaign include:

Generation of more than 85 million advertising impressions via radio.
Outreach through ads in newspapers that had a total readership of almost 52 million.
Outreach to more than 1.5 million Hispanic rural California residents throughout the state through media relations activities and radio and print partnerships.
Dissemination of more than 111,000 pieces of collateral, including informational brochures and branding items at conferences, fairs and community events in rural areas statewide.
Outreach to more than 100 community-based organizations (CBOs) and state organizations in recruitment of 15 grassroots organizations as partners.

7. Program Outcomes

RS&E has identified (through research) two key outcomes of its marketing and outreach activities:
Rural consumers have learned about ways to reduce their energy consumption and lower their utility bills, with emphasis on long-term residential improvements.
Rural residential energy users have made permanent upgrades to their homes and participated in statewide gas and electric energy efficiency activities.

8. Program Strategy

RS&E will maintain the key components of its current effort, recognizing the importance of grass roots outreach and the necessity of targeting rural communities through local media outlets. To reach the target audience and achieve its program objectives, RS&E intends to:

Continue placing newspaper ads and radio commercials in rural markets throughout California.
Expand the activities of the CBO network to facilitate direct access to rural consumers in need of energy efficiency information by coordinating more closely with other statewide marketing and outreach programs.
Participating in a bi-weekly conference call between M&O contractors, as well as the IOUs and representatives of the CPUC.
Sharing information, including a monthly report of marketing activities as well as collateral and advertising creative, in order to avoid duplication of marketing efforts.
Continue providing consumers with an easy-to-access point of contact through the 24-hour toll-free phone line that provides information for energy efficiency programs. Additionally, RS&E will add messaging regarding the Flex Your Power marketing program to the introductory information on the toll-free phone line.
Produce advertising and outreach messages with energy efficiency information that is relevant to all rural customers.

9. Program Objectives

RS&E's statewide program will provide information about IOU and third-party energy-efficiency programs and the related energy saving benefits to the target group of all households in rural areas in order to ultimately reduce energy consumption by the target audience. Rural areas of California are based upon zip code data provided by the IOUs.

To reach these program objectives, our team will:
Place newspaper ads in rural markets throughout the state.
Develop a radio campaign to air in rural markets statewide.
Augment the network of CBOs that will provide outreach to rural consumers seeking energy efficiency information.

Continue the toll-free phone line service to provide energy efficiency program contact information and support throughout the contract.
Implement a Spanish-language public relations effort throughout rural California.
Evaluate messaging and awareness levels related to energy efficiency.

10. Program Implementation

RS&E firmly believes in the importance of coordination between marketing and outreach implementers. Coordination and consistency can only enhance results achieved by everyone. Since all marketing and outreach efforts support the IOU and statewide energy efficiency programs, we believe it is vitally important that the contractors work closely with each other and continually share information to avoid duplication. To that end, RS&E will coordinate its campaign efforts with those of both other marketing and outreach programs:

Efficiency Partnership/McGuire & Co., Inc.'s (EP) statewide general market media campaign.
Univision Television Group and Staples/Hutchinson and Associates' (Univision) Spanish-language media and outreach campaign.

RS&E will participate in regular conference calls and meetings between the M&O contractors listed above, as well as the IOUs and representatives of the CPUC. Additionally, all marketing and outreach materials will be accessible to these groups so information can be shared and the duplication of efforts can be avoided.

In order to implement a successful program, it will be imperative that we begin planning for the 2006 – 2008 program during the end of the 2005 campaign. We will coordinate the messaging and the timing of that messaging with the other statewide marketing and outreach contractors. In addition we will send out requests for proposal to CBOs, research vendors and suppliers to ensure that the 2006-2008 program is as cost efficient as possible. Additionally, our media planning work will also begin early in order to negotiate the most beneficial rates for this program.

11. Customer Description

The populations targets for our 2006-2008 extended energy efficiency advertising component are rural "hard-to-reach" IOU customers who do not have easy access to information or generally do not participate in energy efficiency programs.

We will utilize zip code data provided by the IOUs to guide our media and marketing planning. Only those zip codes categorized by the utilities as "rural" and where the majority of households receive service from a participating IOU will be considered for advertising coverage.

This is the same strategy RS&E used in identifying and targeting the appropriate customers in the past.

12. Customer Interface

In order to ensure that energy efficiency program information is accessible, RS&E will continue to direct consumers to the existing toll-free phone line, as well as to the Flex Your Power Web site. The toll-free phone number and the Web site address will be displayed on all our advertising and outreach materials. Additionally, RS&E added a Spanish-language option to the

phone line in 2004 in an effort to support the Spanish-language collateral and Spanish language PR efforts, which will continue in the 2006 – 2008 contract term.

13. Energy Measures and Program Activities

13.1 Measures Information

Not applicable.

13.2 Energy Savings and Demand Reduction Level Data

Not applicable.

13.3 Non-energy Activities (Audits, Trainings, etc.)

All of the activities of the Reach for the Stars campaign fall under the category of "non-energy activities" since the entire program is focused on marketing and outreach. That said, below is an outline of projected activities and tactics proposed for the 2006 – 2008 campaign. We should note that these are estimated projections that will be more clearly defined as development of the program implementation plan gets underway.

Advertising

RS&E will produce between 4 and 6 radio spots to air statewide each year. We will run more than 30,0000 radio spots in 12 California metro markets and nine remote counties, including:

Metro Markets include:
Bakersfield
Chico
Fresno
Merced
Modesto
Palm Springs
Redding
Riverside/San Bernardino
Sacramento
San Luis Obispo
Santa Maria
Visalia/Tulare

Non-rated remote counties include:
Humboldt
Inyo
Kern
Lake
Mendocino
Plumas
Riverside East
San Bernardino West
Tuolumne

RS&E will produce between 4 and 6 print ads per year to support the three seasonally appropriate messages (i.e. appliance replacement, cooling and heating and lighting). Print media will run in rural communities throughout the state. RS&E will place approximately 15 insertions per year in a total of 120 newspapers statewide.

CBO Outreach
RS&E's program will include the recruitment of between 16 and 18 CBOs strategically located in IOU rural territories throughout the state. These CBOs will be trained and monitored to disseminate materials and garner public relations locally to promote the energy efficiency messages associated with the *Reach for the Stars* program.

In order to ensure proper messaging is delivered in a quality manner, RS&E will also offer media training opportunities and host an annual gathering where best practices and ideas can be shared between grassroots organizations.

Each CBO will be required under contract to annually:
Staff the campaign portable exhibit and distribute campaign materials at no less than three community events.
Conduct a minimum of three presentations for local organizations or groups appropriate to the energy efficiency message (i.e. business groups, PTAs, etc.).
Develop events or products themselves to further extend campaign messages (i.e. poster contests, public service announcements, etc.).
Distribute press releases to local print media outlets and place campaign advertisements in local venues such as newspapers, newsletters or movie slides.

Hispanic Marketing and Public Relations
Through our Hispanic marketing and public relations efforts, RS&E will distribute press releases to more than 140 media outlets statewide. Additionally, we will secure radio partnerships with two radio networks covering the following markets:

Placerville
Grass Valley
Auburn
Palm Desert
Hemet
Moreno Valley
Murrieta Hot Springs
Temecula
Sun City
Tracy
Bakersfield
Tehachapi
Hanford
Atascadero
Paso Robles
Porterville
Visalia

These radio partners will distribute promotional items at various community events, conduct live remotes, air 60-second spots and promote press coverage in the Hispanic markets. RS&E will also secure several print partners to run ads and place stories that support the energy efficiency messages directed at the Hispanic market.

13.4 Subcontractor Activities

RS&E plans to retain SG Henderson Consulting (SGH) to coordinate CBO activities acceptable for the 2006 – 2008 cycle. SGH, led by Suzane Henderson, has been actively involved in the *Reach for the Stars* program since RS&E was awarded the contract in 2003. For the next three years, these efforts will include:

Implementing a request for proposal process to secure 18 CBOs throughout the state for a one-year term. (We will seek new participants as part of this process.)
Conducting a two-day training session for all CBOs upon award of their contracts to educate them on the program.
Coordinating CBO marketing activities in partnership with RS&E.
Providing a final report of all CBO marketing activities each year of the contract.

RS&E will review proposals and select a research vendor to perform focus groups, the results of which will be used to guide creative development of the campaign. We will secure this vendor in 2006 for a three-year term to ensure continuity.

13.5 Quality Assurance and Evaluation Activities

While the evaluation and verification of marketing activities will be conducted by a third party contractor hired by Southern California Edison, RS&E will conduct quality assurance and evaluation activities including:
Tracking of incoming phone calls to toll-free line.
Measuring the number of advertisements and media placements.
Measuring the quantity of information distributed by participants in the grass roots outreach component.
Conducting focus groups that help guide the messaging.

RS&E's focus groups will be conducted by a research firm based in California that has experience with energy related issues and marketing techniques.

13.5.1 Expected Number/Percent of Inspections

In order to ensure work is performed in a quality and timely manner as stated in agreements secured with vendors, RS&E will conduct a review process for each CBO under contract each fiscal year. This review will consist of a monthly report submitted by contractors to detail their marketing activities, as well as a monthly follow up call conducted by RS&E staff. Additionally, RS&E will conduct random inspections of marketing and outreach activities performed by all subcontractors. These inspections will be conducted, at a minimum, on a monthly basis and will include random site visits to events and trainings hosted by grassroots organizations.

13.6. Marketing Activities

Our experience tells us that the sole use of a traditional medium, such as television, will not be successful in breaking down the barriers faced by this campaign's target audiences. As a result,

we propose continuing with a multi-tiered, synergistic marketing approach, utilizing the following tactics:

Placement of media specifically geared to consumers in the IOU rural service territories, using radio and local newspapers as primary mediums.
A strong community connection in which CBOs will be encouraged and rewarded for spreading the word about these energy-saving programs within their communities.
Hispanic/general market rural public relations (PR) activities to secure maximum interest in energy efficiency programs through the engagement of the news media, community leaders, etc.
A toll-free telephone line to provide information in several languages for people who are confused about energy efficiency products or hesitant about taking advantage of IOU or local programs.

2006-2008 Energy Efficiency Concept Paper
Univision Television Energy Efficiency Marketing Program

1. Projected Program Budget: $9,000,000 statewide

The SoCalGas portion of the 2006 – 2008 statewide budget for the Univision Television marketing and outreach program is $883,530.

2. Projected Program Impacts: n/a

3. Program Cost Effectiveness: n/a

4. Program Descriptors

Market Sector:	Residential Crosscutting
Program Classification:	Statewide
Program Status:	Existing

5. Program Statement

Hispanics represent one-third of California's population. Barriers to participation in statewide energy efficiency programs have included language, income, and location. In addition, Hispanics do not have the level of access to the web that the population in general enjoys. Traditionally, these barriers have prevented the Hispanic population from more fully taking advantage of opportunities for making permanent energy saving installations and improvements.

6. Program Rationale

Despite the fact that Hispanics are responsible for the majority of the population growth in California and make-up one-third of the population, this audience is underserved by Spanish-language media. In fact, there is only one Spanish-language daily newspaper in the state. Growth has been realized in the broadcast media.

This program proposes to build on past success in reaching California's Hispanic population with information about and access to statewide energy efficiency programs. This has been accomplished by utilizing a statewide network of Hispanic media to provide energy efficiency messages in Spanish, generating in-depth editorial coverage of energy efficiency subjects; deploying an aggressive program of outreach activities in Hispanic communities and distributing bilingual informational materials to Hispanic audiences. The program has encouraged audience acceptance by using well-known Hispanic media personalities as spokespersons.

7. Program Outcomes

This is an information-only program designed to increase participation in residential energy efficiency programs by Hispanic customers. The goal for the 2006-2008 program cycle is to reach

8. Program Strategy

Since 2001, this program has used the Univision Television Group as the sole media subcontractor. Univision has 11 stations strategically located throughout the state of California which reach up to 98% of the IOUs customers with their broadcast signals.

The primary component of the program is an annual 18-week schedule of 30-second commercials promoting energy efficiency programs and initiatives. By focusing the advertising campaign in a single media, we have been able to effectively negotiate value-added opportunities. Delivered at no charge to the program, these bonus components include interviews on locally produced talk shows and news programming, distribution of program materials and information at Hispanic-oriented outreach activities throughout the state, and a bonus 10-second schedule worth 50% of the 30-second schedule.

To ensure that we are effectively reaching the statewide Hispanic audience and achieving the highest value for the available budget, Staples Marketing will investigate other statewide Hispanic media outlets that could be used alone or in combination with other media.

9. Program Objectives

This is an information-only program and, therefore, is not currently tied directly to energy savings goals. Staples Marketing has a goal of reaching 138,122,000 Hispanic consumers per year at least three times with energy efficiency messages. The media schedule includes airing both 10- and 30-second messages. Ten-second messages are projected to air at least 2,699 times; while 30-second message are scheduled to air 6,078 times.

10. Program Implementation

Staples Marketing will investigate, plan, and place an integrated advertising schedule designed to reach the statewide audience of Spanish-speaking Californians with market-specific information about energy efficiency programs available through the program administrators.

Staples Marketing will augment the advertising campaign with outreach activities in the Hispanic community, providing outreach staff with training and orientation, as well as supplies of informational materials and handouts.

To provide Hispanic customers with more in-depth information regarding energy efficiency and statewide and local programs, Staples Marketing will work with the subcontracted media to identify opportunities for editorial coverage, such as interview shows or news programming, depending on availability. In addition, Staples Marketing will coordinate with the program administrators to identify bilingual representatives willing to be interviewed by the media subcontractor.

11. Customer Description

The program targets California's Hispanic population, ages 18-54, with a primary focus on customers who speak Spanish as their first or second language. The majority of customers reached are moderate and middle income, with a large proportion of renters in certain markets where there the economy is dependent on agriculture.

12. Customer Interface

The goal of this program is help Hispanic customers understand the value of and provide access to energy efficiency programs. Specifically, the advertising and marketing materials will provide phone and web contacts that allow them to access information about residential and small business energy efficiency programs in Spanish.

13. Energy Measures and Program Activities

Staples Marketing will not be installing any energy measures.

13.1. Measures Information

This is an information-only program and, therefore, does not offer energy efficiency measures.

13.2. Energy Savings and Demand Reduction Level Data

This is an information-only program and, therefore, does not have energy savings and demand reduction level data attached to it.

13.3. Non-energy Activities (Audits, Trainings, etc.)

All activities associated with this program involve marketing and the distribution of information.

13.4. Subcontractor Activities

The media subcontractor will broadcast the advertising campaign; schedule sponsor and staff outreach activities; and provide vehicles for editorial coverage and facilitate interviews with program administrator representatives.

13.5. Quality Assurance and Evaluation Activities

For quality assurance, Staples Marketing will monitor advertising schedules and review monthly reports from the media subcontractor. The media subcontractor will provide documentation of schedules. Any advertising that does not appear as ordered will be compensated for in the form of a no-charge "make good." Monthly media reports will update progress toward the program goals in terms of number of paid and no-charge ads realized on all media outlets and approximate audience reached.

Prior to the production of advertising, Staples Marketing will facilitate message testing on the previous year's marketing materials. An independent third-party research firm will use focus group(s) to review and comment on previous messages and creative approaches. The results of this message testing will drive the development and production of all future advertising and marketing materials for greatest effectiveness.

Staples Hutchinson will facilitate training and orientation for subcontractor staff involved in outreach activities. To ensure that outreach events are conducted in an appropriate manner and consistent with the goals of the program, the program manager will make random visits, acting like a "secret shopper" to evaluate interactions with outreach staff.

Staples Marketing will also request taped copies of Univision interviews with IOU and/or CPUC staff and monitor the quality of these interviews.

Program evaluation in the form of primary research will depend on current discussions among the CPUC regarding appropriate measurement of information-only programs. In any event, Staples Marketing will review the advertising campaign, outreach activities and editorial coverage to assure that all goals were met. In addition, we anticipate a primary research project designed to determine the effectiveness of the marketing effort in communicating energy efficiency messages.

13.5.1. Expected Number/Percent of Inspections (planned percent of projects)

This does not apply.

13.6. Marketing Activities

This is a marketing program. All activities have been described previously.

	SCG3508 FYP4-Statewide Marketing & Outreach	
BUDGET		
Administrative Costs	**$**	**-**
Overhead and G&A	$	-
Other Administrative Costs	$	-
Marketing/Outreach	**$**	**6,039,129**
Direct Implementation	**$**	**-**
Total Incentives and Rebates	$	-
User Input Incentive	$	-
Direct Install Rebate	$	-
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	-
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	-
EM&V Costs	**$**	**-**
Budget	**$**	**6,039,129**
Costs recovered from other sources	**$**	**-**
Budget (plus other costs)	**$**	**6,039,129**

PROGRAM IMPACTS		
Net Smr Pk (kW)		-
Net NCP (kW)		-
Net CEC (kW)		-
Annual Net kWh		-
Lifecycle Net kWh		-
Annual Net Therms		-
Lifecycle Net Therms		-
Cost Effectiveness		
TRC		
Costs	$	6,039,129
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
PAC		
Costs	$	6,039,129
Electric Benefits	$	-
Gas Benefits	$	-
Net Benefits (NPV)	$	-
BC Ratio		-
Levelized Cost		
Levelized Cost TRC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/kWh)		
Discounted kWh		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost TRC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-
Levelized Cost PAC ($/therm)		
Discounted Therms		-
Cost	$	-
Benefits	$	-
Benefit-Cost	$	-

COMPETITIVE BID PROGRAMS

2006-2008 Energy Efficiency Concept Paper
Affordable Housing Innovative Outreach and Measure Installation
Segment: Residential

SoCalGas views this as a very hard-to-reach segment of the residential market. This market is primarily influenced by housing authorities overseeing the residential dwellings that may not be eligible for the Direct Assistance Program. Because of this oversight role and the limited available resources of customers, SoCalGas believes specialized outreach techniques and customized incentives need to be developed to motivate these customers to take EE actions. SoCalGas does not believe this customer segment will take advantage of the other residential programs described in the portfolio without a specialized approach. SoCalGas is seeking an innovative outreach approach to this segment focused on the provision of cost-effective energy efficiency measures with the exception of HVAC measures. There are several energy efficiency services providers who work with housing authorities to implement performance contracts, which typically include a wide range of measures, including water and electricity measures, as well as natural gas. These providers should be able to leverage program incentive dollars in order to implement larger and more comprehensive energy- and water-saving performance contracts for housing authorities. The provision of HVAC measures will be included in another third-party program, but this proposal could also leverage that activity.

Tasks: Complete program design, implementation.
Anticipated annual energy savings: 150,000 therms
Anticipated Funding Level: $250,000 annually
Alignment with Long Range EE Priority #2

2006-2008 Energy Efficiency Concept Paper
Mobile/Manufactured Home Innovative Outreach and Measure Installation
Segment: Residential

SoCalGas views this as another very hard-to-reach segment of the residential market. SoCalGas is interested in a truly innovative approach to this segment including central facility measure installation as well as individual installations at customer residences, focusing on the most cost-effective techniques. These may include instantaneous water heaters, solar water heating for central swimming pools, and leveraging electric programs for lighting upgrades in community spaces. There are energy efficiency service providers who have previously implemented programs targeting this market segment, and there are other contractors who possess the specialized technical skills that are required to install certain measures on mobile homes. By combining the requisite technical skills with their specialized marketing skills, experienced third-party collaborations should be able to reach this unique customer demographic in greater numbers than might otherwise occur, particularly since "common wisdom," and market reality regarding mobile home equity, financing options, occupant demographics and baseline efficiency varies significantly, even within a particular utility service territory.

Tasks: Complete program design and implementation.
Anticipated annual energy savings: 150,000 therms
Anticipated funding level: $250,000 annually
Alignment with Long Range EE Priority #2, #7

2006-2008 Energy Efficiency Concept Paper
Residential Upstream Central Heating Replacement, and Midstream Duct Testing and Sealing and Quality Installation Assurance
Segment: Residential

SoCalGas views this as an important component of its energy efficiency portfolio, but the company does not have the expertise and resources in-house to execute a comprehensive HVAC program. The statewide utilities have the goal of developing a program that supports a nationwide effort for implementing quality installation standards and that targets the various market actors. In this third-party program, SoCalGas envisions a program targeting customers with central heating only. This program will include an upstream element for reducing the costs of energy-efficient heating systems in addition to the assurance of quality installation. SoCalGas believes this program will have a heavy focus in the coastal areas of our service area where central air conditioning is not always typically installed. Customers with both central heating and air-conditioning would be serviced by SCE's version of this program.

Tasks: Complete program design or adaptation of statewide design to SoCalGas service territory and full implementation. (Split between multiple accepted proposals)
Anticipated annual energy savings: 800,000 therms
Anticipated funding level: $2,000,000 annually
Alignment with Long Range EE Priority #7

2006-2008 Energy Efficiency Concept Paper
Residential Advanced Home Remodeling/Renovation Program
Segment: Residential

SoCalGas has vast experience in the implementation of residential new construction programs and is well-positioned to continue this effort into the future. In the separate and distinct remodeling market, SoCalGas has identified several emerging market trends that favor a third-party initiative, including increased market responsiveness to "green home" and "green materials" messages. SoCalGas envisions a third-party program that will promote an expansion of the market for healthy, durable, energy- and resource-efficient homes by providing incentives, information, and training to remodeling industry professionals and homebuyers/homeowners. SoCalGas will seek an innovative and regionally appropriate third-party implementer who will present an integrated approach encompassing:

- Green branding
- Customer/trade ally education
- Energy and resource efficiency ratings for remodel projects
- Inspection and verification
- Incentives for energy-efficient technologies installed through green remodeling projects.

The program will include market strategies that expand typical remodeling projects to include measures such as advanced HVAC, appliance, and building envelope upgrades. The program will also leverage Northern California's emerging green brand for new and remodeled homes, for statewide consistency and greater market impact. It will complement, but does not overlap with, any existing utility program for residential new construction since this is a different set of market actors.

Tasks: Finalization of program design and implementation.
Anticipated annual energy savings: 200,000 therms
Anticipated funding level: $500,000 annually
Alignment with Long Range EE Priority #3, #6, #7

2006-2008 Energy Efficiency Concept Paper
School-Based Residential Energy Efficiency Program
Segment: Residential

SoCalGas believes that school-aged children are very receptive to energy education and can also motivate their parents to take actions at home to reduce energy and water consumption. The programs in SoCalGas' portfolio do not address this innovative segment. SoCalGas envisions a program which employs a format to achieve tangible educational and behavioral results as well as measurable, verifiable energy savings. The program will offer beneficial and cost-effective results for electric, natural gas, and water resources. The program must be effective, adaptable and versatile, which makes it attractive to schools and will build awareness and participation in energy efficiency practices. Both students and their parents will be educated and informed through the program. Increased awareness will result in conservation efforts at home and at school as well as adoption of energy efficiency measures. Parents will also learn about other energy efficiency program opportunities through the information pieces provided by the program. The program will feature classroom education and a kit containing retrofit devices and supplies for each participant. Eligible teachers will be contacted individually to enroll their classes. Program packages will be mailed to teachers. Students will be given homework projects, which they will complete at home with family members. Families are required to record their activities and which are then given to the teacher for tabulation of the results. Ongoing support will be provided to teachers and participants via telephone, email and web. Successful bidders will demonstrate alliances or bona fide collaborations with local utilities, water agencies and community collaborations. SoCalGas will partner the successful bidder and several of its municipal energy efficiency partners to encourage implementation of the program in these areas. Additionally, this program provides SoCalGas the opportunity to work with partners who have experience with educational programs in areas other than energy efficiency. These potential partners may be able to develop innovative approaches for presenting energy efficiency modules to teachers and students.

Tasks: Program implementation.
Anticipated annual energy savings: 160,000 therms
Anticipated funding level: $200,000 annually
Alignment with Long Range EE Priority #2

2006-2008 Energy Efficiency Concept Paper
Used Equipment Education and Incentive Program
Segment: Commercial Foodservice

In the foodservice industry, small customers purchasing used foodservice equipment are often not educated about selecting equipment on the dealers' sales floor that may be more efficient than other options at similar (or lower) price points. Energy Efficiency information and incentive programs for these customers is currently not provided by the utility, foodservice industry, or other channels. SoCalGas is interested in a program that utilizes mid-stream (dealers) and downstream (customer) education methods and incentives to provide customers the information they need to make informed choices about used energy efficient food service equipment. The program could (if feasible) include a financial incentive component that either motivates dealers to steer customer to more efficient equipment or neutralizes cost issues.

Tasks: Complete program design and implementation.
Anticipated annual energy savings: None unless a cost effective invective program is developed.
Anticipated funding level: $100,000 annually
Alignment with Long Range EE Priority #3

2006-2008 Energy Efficiency Concept Paper
Small-Medium Industrial Customer Process Improvement
Segment: Industrial

The small- to medium-sized SoCalGas industrial customer has traditionally been underserved in current and past energy efficiency programs. This band of customers, specifically food processors, metal fabricators, and automotive customers in the 10-50k therm band and located in hard-to-reach locations such as Riverside and San Bernardino Counties and the Palmdale/Lancaster areas present opportunities for significant energy savings. SoCalGas envisions a program targeting this segment to improve industrial processes with equipment replacement incentives. Working with customers in these specialized industries requires specific skill sets that are well-grounded in current industry practices. These skills can be made more readily-accessible by third parties, particularly those from these communities.

Tasks: Complete program design and implementation.
Anticipated annual energy savings: 30,000 therms
Anticipated funding level: $120,000 annually
Alignment with Long Range EE Priority #5

2006-2008 Energy Efficiency Concept Paper
Comprehensive Coin-Operated Commercial Clothes Washer Replacement
Segment: Cross-Cutting

Coin-operated commercial clothes washing facilities in residential, multifamily and commercial strip center laundry facilities represent a specialized niche market for significant energy and water savings. SoCalGas envisions a truly innovative program that takes a holistic approach to these laundry facilities to capture savings from indoor and outdoor lighting, laundry equipment replacement, and other measures as appropriate. In this proposal, SoCalGas expects to see clearly defined and executed collaboration agreements between utilities, vendors, water agencies and others as the joint bidding partners.

Tasks: Complete program design, collaboration agreement execution, and implementation.
Anticipated annual energy savings: 700,000 therms
Anticipated funding level: $1 million annually
Alignment with Long Range EE Priority #1

2006-2008 Energy Efficiency Concept Paper
Comprehensive/Innovative
Upstream/Midstream/Downstream Water Heating Replacement
Segment: Cross-Cutting

Water heating replacements and the furthering the introduction of instantaneous water heating devices is a key energy efficiency strategy of SoCalGas as a natural gas utility. SoCalGas has traditionally relied on its incentive programs for water heating devices to motivate customers to select higher efficiency products. However, review of program results indicates this method is too slow. A more focused approach is warranted; therefore, in this third-party program, SoCalGas envisions an upstream (distributor/manufacturer), midstream (installer) and downstream (customer) comprehensive program. On the upstream side, incentives are envisioned to neutralize the cost of higher efficiency water heating devices. On the midstream side, incentives and installer training is envisioned. SoCalGas' cursory research into instantaneous technology indicates training for installers is a frequently mentioned market barrier. Since SoCalGas will offer hot water heater (storage tank technology) rebates in its residential and non-residential rebate programs and additional rebates for instantaneous water heaters in its non-residential rebate programs, specialized marketing for "do-it-yourself" customers and their independent contractors is needed. SoCalGas would like this comprehensive program to address the downstream element as well by marketing the products and SoCalGas' programs at home improvement sites and other venues frequented by customers and their independent contractors. For small business customers, this education/marketing effort would also include pipe and tank insulation measures. SoCalGas firmly believes this approach of utilizing three delivery channels will significantly enhance efforts to increase penetration of higher efficiency water heating equipment in the service area. Because there is an increased opportunity for double (or triple) incentives in this effort, the successful bidder will propose actions that will eliminate that possibility of a customer claiming more than one incentive for the same piece of equipment.

Tasks: Complete program design and implantation.
Anticipated annual energy savings: 400,000 therms
Anticipated funding level: $550,000 annually
Alignment with Long Range EE Priority #7

2006-2008 Energy Efficiency Concept Paper
Portfolio of the Future
Segment: Cross-Cutting

As government energy standards and energy codes codify recent gains in energy efficiency, SoCalGas continues its search for new technologies and applications in its drive to achieve further successes promoting energy efficiency. To facilitate this process, SoCalGas proposes a third-party program be developed that will analyze markets and technologies from different focal points, ranging from short-term to "over the horizon." While this program and associated activities could be done internally, SoCalGas believes a view from outside the utility would be even more beneficial. This program would seek to identify opportunities for potential increases in energy efficiency and productivity, and to match these opportunities with technologies that can realize that potential. A phased implementation is anticipated, beginning with the short-term, and eventually extending to the "over the horizon" program component. In its initial stages, the program will actively seek to incorporate advanced technologies into existing programs and to develop new programs around these technologies. Eventually, the program will attempt to look beyond existing programs and identify various trends that will influence the development of future energy technologies and utility programs.

Tasks: Complete program design and implementation.
Anticipated annual energy savings: None
Anticipated funding level: $500,000 annually
Alignment with Long Range EE Priority: Potentially All

2006-2008 Energy Efficiency Concept Paper
Energy Efficiency Kiosk Pilot
Segment: Cross-Cutting

Input from SoCalGas' Public Advisory Group and internal experience indicates that a customer is more receptive to energy efficiency information at certain times when costs are top-of-mind. One of these times would be during the financing or re-financing of a home or applying for a small business loan. SoCalGas, and SCE have limited experience with intervention in these types of transactions, but has an interest of seizing this opportunity to have customers take action on energy efficiency with the possible reward of a reduced interest rate on these types of loans. SoCalGas, and SCE envision a third-party program that could be executed on a pilot basis to test the theory.

Program rationale includes running a pilot program to achieve tangible educational and behavioral results, which can be tied to existing rebate, and incentive programs. This approach would be to promote energy efficiency upgrades to homeowners, and small business owners who are planning remodeling or upgrading projects through the use of kiosks. The kiosks would be located in the lobbies of financial institutions and contain information on energy efficiency and rebates that are available. This would provide direct access to consumers at this significant decision point. Parties submitting proposals would need to establish agreements with banks, or credit unions interested in participating in the program. Please note that SoCalGas, and SCE are not providing financing for participants.

Incentives for participating customers could include an energy efficiency audit to help identify the energy saving opportunities. In addition banks or lenders could offer preferred consideration for customers applying for home improvement loans which included an energy efficiency plan (this would need to be negotiated by the program implementer). For lenders the incentive would be in the form of public recognition for participating in Energy Efficiency programs, which benefit their customers, and the community at large.

This program would be co funded by SoCalGas, and SCE. SCG would be the administrator of the program, with support from SCE. The budget of the pilot would be approximately $300k per year. Our expectation is that administration costs will not exceed 20 percent of the overall annual budget. While this program does not have a direct energy savings goal, proposals that are submitted will need to demonstrate a direct link to energy audits, and rebates/incentive programs offered by SoCalGas, and SCE.

Tasks: Complete program design and implementation.
Expected annual energy savings: None
Anticipated funding level: $300,000 annually
Alignment with Long Range EE Priority: Potentially All

2006-2008 Energy Efficiency Concept Paper
Energy Efficient Equipment Exchange Program
Segment: Cross-Cutting

Oftentimes, residential, small commercial and industrial customers are interested in upgrading to higher energy efficiency equipments but do not have the financial resources to purchase new equipment even with available rebates and incentives. There are also situations when business entities and large customers plan equipment upgrades to replace their current equipment. The equipment being replaced by the larger customers may not provide the highest energy efficiency levels available, but they nonetheless meet minimum energy efficient standards and exceed the efficiency of equipment the smaller customers are currently using. Smaller customers might be interested in acquiring this used, but higher efficient equipment, while larger customers might be interested in selling or donating their used equipment. SoCalGas has limited experience in matching up donors/sellers and recipient/buyers for these types of transactions, but would like to offer an opportunity for third parties to bid on, and implement an Energy Efficient Equipment Exchange program. SoCalGas envisions a third-party program that could be executed on a pilot basis and then expanded, if successful. Program rationale includes running a pilot program that achieves measurable and verifiable energy savings for these smaller customers. The third party would establish a clearing house to connect donors and recipients (or buyer and sellers) for win-win transactions. SoCalGas would look to for proposals that identify other attractive elements, such as Tax write-offs or incentives that could also be considered to attract participants.

Tasks: Complete program design and implementation.
Expected annual energy savings: 350,000 therms
Anticipated funding level: $500,000 annually
Alignment with Long Range EE Priority: #4, #7

2006-2008 Energy Efficiency Concept Paper
Energy Efficient Ethnic Outreach Program
Segment: Cross-Cutting

As SoCalGas serves an ethnically diverse customer base, there are opportunities to increase energy efficiency outreach efforts among our African American, Hispanic, Chinese, Filipino, Korean, Vietnamese and other audiences. SoCalGas has traditionally communicated to these customers through our field and call center staffs, advertising, socalgas.com, events, and Diversity/Supplier Diversity groups. However, there is an opportunity for increased outreach to these communities to better connect with customers in culturally-sensitive ways and in-language, where appropriate. The third-party should have excellent relationships with community leaders, community- and faith-based organizations and others, in order to deliver expertise outside of our existing staff resources and capabilities. SoCalGas envisions a third-party Ethnic Outreach program (or programs) where we tap into existing community experts to increase awareness and adoption of energy efficiency measures and practices among our ethnic audiences. The third-party will promote appropriate SoCalGas Residential and Business programs and be responsible for establishing processes so that we can verify therm savings through EM&V processes. SoCalGas' Marketing & Outreach staff will coordinate closely with the third-party Ethnic Outreach provider for greater synergy and to minimize confusion.

Tasks: Complete program design and implementation.
Expected annual energy savings: N/A
Anticipated funding level: $500,000 annually
Alignment with Long Range EE Priority: #1, #2, #4, #7

2006-2008 Energy Efficiency Concept Paper
Natural Gas Air Conditioning Replacement Program
Segment: Crosscutting

SoCalGas estimates there are approximately four thousand natural gas air conditioners in our territory below the range of 25 tons per unit. According to the major contractors in the gas air conditioning industry, most of these units are very old and no longer efficient. Much of this equipment may be performing at 0.4-0.5 Coefficient of Performance (COP). SoCalGas envisions a pilot program to replace inefficient equipment with newer more efficient natural gas air conditioning equipment, which meets or exceeds 2005 Title 24 EE Standards. This program will include a rebate element for reducing the costs of energy-efficient gas air conditioning equipment in addition to the assurance of quality installation.

The third party will need to have a thorough understanding of gas air conditioning including: absorption chillers, air cooled, and water cooled; gas heat pumps, air and water cooled, engine driven gas air conditioning. In addition they would establish a clearing house to connect, manufacturers, dealers, contractors and customers for win-win solutions. SoCalGas would look for proposals that identify other attractive elements, such as Tax write-offs or incentives that could also be considered to encourage energy efficiency, and attract participants.

Tasks: Complete program design to SoCalGas service territory and full implementation. (Split between multiple accepted proposals)
Anticipated annual energy savings: PY06-100,000 therms, PY07 150,000 therms, PY08-150,000 therms
Anticipated funding level: PY06-$200,000, annually, PY07-$300,000, annually' PY08-$300,000 annually
Alignment with Long Range EE Priority #7

	SCG3500 3PP4-Third Party Programs	
BUDGET		
Administrative Costs	**$**	**13,513,732**
Overhead and G&A	$	13,513,732
Other Administrative Costs	$	-
Marketing/Outreach	**$**	**-**
Direct Implementation	**$**	**20,270,595**
Total Incentives and Rebates		
User Input Incentive	$	-
Direct Install Rebate	$	20,270,595
Direct Install Labor	$	-
Direct Install Materials	$	-
Activity	$	-
Installation	$	-
Hardware & Materials	$	-
Rebate Processing & Inspection	$	-
EM&V Costs	**$**	**-**
Budget	**$**	**33,784,327**
Costs recovered from other sources	**$**	**-**
Budget (plus other costs)	**$**	**33,784,327**

PROGRAM IMPACTS	
Net Smr Pk (kW)	-
Net NCP (kW)	-
Net CEC (kW)	-
Annual Net kWh	
Lifecycle Net kWh	-
Annual Net Therms	8,820,000
Lifecycle Net Therms	-
Cost Effectiveness	
TRC	
Costs	$ 13,513,732
Electric Benefits	$ -
Gas Benefits	$ -
Net Benefits (NPV)	$ -
BC Ratio	-
PAC	
Costs	$ 33,784,327
Electric Benefits	$ -
Gas Benefits	$ -
Net Benefits (NPV)	$ -
BC Ratio	-
Levelized Cost	
Levelized Cost TRC ($/kWh)	
Discounted kWh	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost PAC ($/kWh)	
Discounted kWh	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost TRC ($/therm)	
Discounted Therms	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -
Levelized Cost PAC ($/therm)	
Discounted Therms	-
Cost	$ -
Benefits	$ -
Benefit-Cost	$ -