

**APPENDIX E**

**Advice No. 4449**

**Table of Compliance**

**Southern California Gas Company**  
**2013-2014 Energy Efficiency Portfolio Decision 12-11-015 Compliance Items**

Compliance #	Topic	OP #	FOF #	COL #	Supporting Text Page #	Due Date	Requirement	Compliance AL: PIP Revision	Advice Letter / Appendix
1	Budget	21				Compliance AL	IOUs shall fund energy efficiency financing programs at the budget levels shown in Table 7 in this decision. Revolving loan funds for SDG&E and SoCalGas shall not be funded out of energy efficiency program funds. These budgets do not include funding for the statewide marketing, education, and outreach program, which is being evaluated in Application 12-08-007 et al.	Finance PIP - Overarching (Section 3)	Appendix A Appendix C Appendix D - Table 4.1
2	Budget	39		84		Compliance AL	IOUs shall immediately begin reflecting all labor-related costs associated with the delivery of their energy efficiency programs as defined on page 49 of Decision 09-09-047, in their energy efficiency portfolio filings, and shall clearly delineate where any expenses or costs have been or will be recovered in proceedings other than energy efficiency applications.	N/A	Advice Letter Appendix D - Table 1.7 & 1.8
3	Budget				85	Compliance AL	Reiterate here that the LGP budgets should not be penalized to account for the REN proposals, and we see no evidence that this has occurred for this cycle.	N/A	Appendix A Appendix B.1 & B.2 Appendix C Appendix D - Table 4.1
4	Budget			80	101	Compliance AL	We still require the utilities minimize their non-incentive budgets as much as possible to achieve the target of no more than 20% of the budget associated with the "implementation-customer services" category of costs.	N/A	Appendix D - Table 4.2
5	Budget				107	Compliance AL	The compliance filings should also break down budgets into annual budgets, in addition to the two-year budgets approved herein.	N/A	Appendix A Appendix D - Table 4.1
6	Budget- Carryover Funds	13		12		Compliance AL	IOUs shall allow any program with a contract or commitment funded by energy efficiency funding in 2012 that is due to be continued in 2013 to continue its activities until a new 2013 contract is available, as applicable, to ensure that there is no gap in contract timing or funding between 2012 and 2013.	N/A	Advice Letter
7	Budget-Carryover Funds				95	Compliance AL	For purposes of clarity and ensuring there are no gaps in funding for any program that is continuing from 2012 through the 2013-2014 program cycle, we define committed funds as those that are associated with individual customer projects and/or are contained within contracts signed during a previous program cycle and associated with specific activities under the contract. All activities carried out under a contract and/or customer obligation during a specific program cycle need not be completed and funds need not be spent during that particular program cycle so long as there is an expectation that the activities will be completed. However, those funds are considered "committed" and/or "encumbered" and thus are not considered "unspent" funds. Only funds that are both uncommitted and unspent during 2012 and prior are eligible for being rolled into 2013-2014 program budgets.	N/A	Advice Letter Appendix D - Table 6.2
8	Budget-Carryover Funds			11		Compliance AL	Programs that received 2012 energy-efficiency funding and will be continued in 2013, which were originally funded through ARRA, should be allowed to utilize existing funds until such time as new contracts for 2013-2014 are executed.	N/A	Advice Letter
9	Budget-PGE	40				Compliance AL	PG&E is authorized a revenue requirement of \$823,082,766 for 2013 and 2014, including funding for the San Francisco Bay Area Regional Energy Network and the Marin Energy Authority, offset by unspent funding as detailed in Ordering Paragraph 38.	N/A	N/A
10	Budget-SCE	41				Compliance AL	SCE is authorized a revenue requirement of \$694,209,340 for 2013 and 2014, including funding for the Southern California Regional Energy Network, offset by unspent funding as detailed in Ordering Paragraph 38.	N/A	N/A
11	Budget-SDG&E	42				Compliance AL	San Diego Gas & Electric Company is authorized a revenue requirement of \$205,228,464 for 2013 and 2014, including funding for the Southern California Regional Energy Network, offset by unspent funding as detailed in Ordering Paragraph 38.	N/A	N/A
12	Budget-SCG	43				Compliance AL	SoCalGas is authorized a revenue requirement of \$178,731,620 for 2013 and 2014, including funding for the SoCalREN, offset by unspent funding as detailed in Ordering Paragraph 35.	N/A	Advice Letter Appendix D - Table 6.2a
13	Cost Effectiveness	37				Compliance AL	A default market effects adjustment of five percent shall be applied to the total portfolio cost-effectiveness to account for program spillover. Program-specific estimates will be developed by evaluation studies in 2013 and 2014	N/A	Appendix A Appendix C Appendix D - Table 1.7 & 1.8
14	Cost Effectiveness				53	Compliance AL	Each Utility's proposal must pass both the TRC and PAC tests on a prospective basis, after subtracting ETP costs. To pass, the benefit-cost ratios for both tests must be greater than 1.0.	N/A	Advice Letter Appendix D - Table 1.7 & 1.8
15	EM&V			46		Compliance AL	The EM&V budget for this portfolio cycle should remain at 4% of total budgets, including REN and MEA budgets plus a placeholder assumption for the statewide marketing, education, and outreach budgets being considered in A.12-08-007 et al. Statewide sectoral end-use surveys for Energy Commission use in Title 20 appliance standards should not be funded out of this budget but should seek alternative funding sources. If alternate funding cannot be secured, a petition to modify may be filed to increase the EM&V budget adopted herein to fund those studies.	N/A	Advice Letter Appendix A Appendix C Appendix D - Table 5.1
16	Ex Ante/Custom Measure Review	18		49		Compliance AL	Commission action on alternative proposals for the ex ante and custom project review processes is deferred. IOUs shall not allow or cause these processes to interfere with customer project completion	N/A	Advice Letter

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17	Financing			51	3	Compliance AL	The utilities' on-bill financing programs should be approved as proposed with the budgets authorized herein.	Finance PIP - On-Bill Financing (Section 8)	Appendix A Appendix C Appendix D - Table 4.1
18	Financing				40	Compliance AL	Single-family loan loss reserve program: At this stage, we do not have enough information about the program details, but will reserve funding pending the outcome of the statewide financing consultant's proposals. Multi-Family capital advance program pilot: We reserve the funds for this BayREN financing program under the assumption that it may be coordinated with the multi-family statewide pilot.	N/A	N/A
19	Financing				63	Compliance AL	Since we directed the utilities to reserve funding for certain successful financing pilot programs previously funded by ARRA, we approve their budgets as proposed. We expect the utilities, in their compliance filings, to indicate the exact programs to be funded in this category, in addition to the SoCalREN and BayREN proposals that we specifically authorize.	Finance PIP - ARRA Originated Finance Programs (Section 9)	Appendix A Appendix C Appendix D - Table 4.1
20	Financing				63	Compliance AL	Direct the utilities to coordinate closely with the REN financing programs as well as the other financing programs funded out of the utilities' portfolios.	Finance PIP - New Finance Offerings (Section 13)	N/A
21	Financing				65	Compliance AL	"Financing offerings need not be limited to energy efficiency, and can support all types of demand-side investments" (D.12-05-015) applies only to on-bill repayment (OBR) and other types of pilot activity where the funding for the loans themselves come from sources other than ratepayers. For others such as on-bill financing (OBF) where energy efficiency funds are being utilized, they should be used for energy efficiency projects only at this time.	Finance PIP - On-Bill Financing (Section 8 & 9)	N/A
22	Financing			52		Compliance AL	Pilot financing programs originally funded under ARRA have shown promise and should be allowed to continue with energy efficiency program funding for two years.	Finance PIP - ARRA Originated Finance Programs (All sections)	Advice Letter Appendix A Appendix C Appendix D - Table 4.1
23	Financing			54		Compliance AL	Funding should be reserved for the REN and utility financing pilot programs until further action by the Commission. Programmatic decision-making on the financing pilot activities should be delegated to the Assigned Commissioner.	Finance PIP - Overarching (Section 3)	Appendix A Appendix C Appendix D - Table 4.1
24	Fundshifting	20		50	62	Compliance AL	The existing fund shifting rules shall be applied to the following categories of programs for IOUs: a. statewide residential b. statewide commercial c. statewide agricultural d. statewide industrial e. statewide lighting f. statewide codes and standards g. statewide emerging technologies h. statewide workforce, education, and training i. statewide marketing, education, and outreach j. statewide integrated demand-side management k. statewide financing l. third party programs (competitively bid) m. local government partnerships n. other	N/A	Advice Letter
25	Goals	17			57	Compliance AL	The energy savings goals for IOUs shall be adjusted to reflect the new figures in Table 5 in this decision.	N/A	Advice Letter Appendix D - Table 1.1
26	GP-SDG&E				86	Compliance AL	Approve SDG&E's application that is referred to as SDREN should be approved, but renamed to be a San Diego regional partnership under the LGP umbrella and within SDG&E's portfolio.	N/A	N/A
27	GP-SDG&E			73		Compliance AL	The SDG&E San Diego REN proposal should be approved as a local government partnership, but reclassified as a regional partnership, since it will be directed by SDG&E and not selected by the Commission.	N/A	N/A
28	IDSMS	33			88	Compliance AL	IOUs shall submit, as part of its compliance filing, a comprehensive and consistent integrated demand-side management program implementation plan (PIP) that reinstates deleted portions of its previous PIP and details the budgets to be devoted to each activity under the program.	IDSMS PIP (throughout) and Section 2 (Budget). See Item #30 for additional budget information.	N/A
29	IDSMS				87	Compliance AL	Direct IOUs to utilize appropriate energy efficiency IDSMS funds to "backstop" funding of IDSMS tools to ensure that they provide customers with information that supports all demand-side resources (such as marketing, emerging technologies, integrated audits, piloting of integrated projects, etc.), consistent with IDSMS objectives.	IDSMS PIP (Section 4)	N/A

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30	IDSM				88	Compliance AL	IOUs should provide a matrix of budget figures broken down by funding source (energy efficiency, demand response, solar, etc.) for: IDSM marketing, IDSM pilots, integrated Continuous Energy Improvement, IDSM online and on-site audits, IDSM training, and IDSM data tracking. The IOUs should also include a narrative description of the technologies being promoted and how the efforts support IDSM goals.	IDSM PIP (Attachment PIP 2A)	N/A
31	IDSM				88	Compliance AL	Required by D.12-04-045, a decision in the demand response program application proceeding, to file requests for the demand response portion of their IDSM budgets in this proceeding.	N/A	N/A
32	Industrial and/or Agricultural Programs				77	Compliance AL	Utilities should address it in their compliance filings, the increase in the number and a decrease in the size of the custom projects	N/A	Advice Letter
33	Industrial and/or Agricultural Programs				78	Compliance AL	Expect the utilities to work with stakeholders in the agricultural area to improve their programmatic approaches over the course of the 2013-2014.	Agricultural PIP - Overarching (Section 6)	N/A
34	Lighting	29			79	Compliance AL	IOUs shall, in their compliance filings, include lighting measures two different ways in their cost-effectiveness calculators to allow for comparison, both in the statewide lighting program and in the program where the lighting measure is being delivered.	N/A	N/A
35	Lighting	30		67	3, 79	Compliance AL	IOUs shall only offer incentives for light-emitting diode (LED) bulbs to products that are in the top half of quality on the market and that meet the Energy Star requirements prior to the adoption of a California quality specification for LEDs by the California Energy Commission (CEC). Once the CEC quality specification is adopted, the utilities shall design a transition period of less than one year, in consultation with the CEC and Commission staff, after which they shall only offer incentives to LED bulbs that meet the California quality specification.	N/A	N/A
36	Lighting				80	Compliance AL	We leave to the utilities to determine how to implement this guidance, in cooperation with the CEC... In updates to their PIPs, the utilities should detail the types of bulbs for which they intend to offer incentives, and at what level.	N/A	N/A
37	Lighting				80	Compliance AL	We require the utilities to consult with CEC and Commission staff and coordinate the phase-out to the availability from manufacturers of sufficient volume of LED bulbs that comply with the CEC specification. We hope this will take considerably less than a year after adoption.	N/A	N/A
38	MIDI	26		61	73	Compliance AL	IOUs shall double their target number of participants for their Middle Income Direct Install programs and ensure eligibility for residents of multi-family buildings in the programs.	CalSPREE - Energy Upgrade California (Section 10)	Appendix A
39	Procedural	45		85	107	Compliance AL	IOUs, RENs, and MEA shall file advice letters in compliance with the directives in this decision no later than 60 days after this decision is issued, unless another date is specified herein for a specific program, in the format provided by Commission staff.	All PIPs	Advice Letter Appendices A - F
40	Procedural	46				Compliance AL	IOUs are authorized to proceed with implementing the programs and activities approved in this decision and utilizing their approved funding while their compliance advice filings are pending with the Commission.	N/A	Advice Letter
41	Procedural				107	Compliance AL	To ensure that our materials are completely updated and accurate, we will require that all program proponents submit updated and finalized PIPs, placemats, and cost-effectiveness calculators in a compliance filing to be submitted by advice letter due no later than 60 days after the date of this decision	All PIPs	Advice Letter Appendices A - F
42	Procedural				107	Compliance AL	In the compliance filing, all of the utilities, RENs, and MEA should include a matrix that cites each requirement in this decision and lists the associated place in their compliance filings where the requirement is addressed	N/A	Appendix E
43	Procedural				107	Compliance AL	Both clean and redlined versions of the PIPs should be provided to Commission staff, as well as any other changes to proposals that were contained in the body of each program proponent's application or motion.	All PIPs	Appendix B.1 & B.2
44	Procedural-SCE/SDG&E				109	Compliance AL	We expect SCE and SDG&E to focus energy efficiency program deployment in these constrained areas, as appropriate, through targeted outreach, fund-shifting, or other approaches within their existing authority.	N/A	N/A

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45	Residential-Behavior		35		76	Compliance AL	The definition of behavioral programs in D.10-04-029 should be maintained for residential households by 2014, along with the 5% target set in D.12-05-015. These are minimum targets and nothing prohibits utilities from initiating additional behavioral activities in 2013-2014. They should be encouraged to do so.	CalSPREE - Energy Advisor (Section 5)	N/A
46	Residential-CAHP	28		63	74	Compliance AL	IOUs shall update their incentive levels, after conferring with Commission staff by December 1, 2012, for the California Advanced Home Program and Energy Star Manufactured Homes Program.	CalSPREE - Residential New Construction (Section 4)	Appendix A
47	Residential-EUC	23		57		Compliance AL	IOUs shall discontinue use of the Whole House Upgrade Program or its acronym WHUP. This program name must be returned to Energy Upgrade California.	CalSPREE - Energy Upgrade California (Throughout)	N/A
48	Residential-EUC	24		58	69	Compliance AL	IOUs shall not remove labor costs from the cost-effectiveness calculations for the Energy Upgrade California program.	N/A	Appendix A
49	Residential-EUC	25		59	69	Compliance AL	PG&E and SCE shall direct at least 25% more of their marketing and outreach budgets for the Energy Upgrade California program to Climate Zones 9-16 in 2013 and 2014.	N/A	N/A
50	Residential-EUC			60	73	Compliance AL	The other utilities should be required to update their PIPs for the EUC multi-family whole building pilot program consistent with PG&E's approach in their September 5, 2012 filing. All utilities should be required to specify unit treatment targets and budgets, utilizing both 2012 funding and 2013-2014 funding.	CalSPREE - Energy Upgrade California (Attachment A1)	N/A
51	Residential-EUC Redesign				70	Compliance AL	The IOUs should meet or exceed all of the targets in the high-participation scenarios filed in their EUC program implementation plans, which are reproduced below. These are understood to exclude EUC participation targets for the RENs within the areas where RENs ultimately implement the EUC-modified Basic Path.	CalSPREE - Energy Upgrade California (Section 11)	N/A
52	Residential-EUC Redesign			20		Compliance AL	One of the utilities, with the assistance of the market transformation consultant, should co-chair a working group of EUC implementers and the working group should choose a co-chair that is a non-utility representative. This group should cooperatively re-design the EUC Basic Path and/or Flex Path approaches in consultation with Commission staff and CEC staff. A new PIP should be produced no later than April 1, 2013 and filed in a Tier 2 advice letter with the Commission. The program designs to be implemented by RENs and utilities need not be identical but should be similar, and should be capable of being marketed jointly. The PIP should also detail where the program will be implemented by RENs or utilities.	CalSPREE - Energy Upgrade California (Section 9)	N/A
53	Residential-EUC Redesign				69	Compliance AL	IOUs to hire a statewide market transformation consultant for the EUC program program, as well as to engage other EUC REN implementers in a program redesign. Expect that redesign to be completed by April 2013, and for the RENs to launch the revised program within their geographic regions at that time, with the IOUs launching the same or substantially similar program in their service territory areas not covered by RENs.	CalSPREE - Energy Upgrade California (Section 9)	N/A
54	Residential-EUC-Mkt Transformation Consultant	4		19	23, 69	Compliance AL	IOUs shall mutually agree and select one utility to hire a market transformation consultant to assist with the design and implementation of the Energy Upgrade California (EUC) program. The chosen utility shall also co-chair an informal working group of EUC program implementers. The working group shall choose one non-utility co-chair.	CalSPREE - Energy Upgrade California (Section 9)	N/A
55	Residential and Commercial HVAC			66		Compliance AL	The utilities should take more of a market transformation approach and improve their quality installation and quality maintenance programs for residential HVAC installations during 2013 and 2014. The utilities' QI/QM proposals fail to project significant savings or ambitious enough targets to achieve any of the Strategic Plan goals for the HVAC sector, particularly in the residential markets. To address this critical gap, the utilities should update their targets and approaches in their compliance filings, and focus on a market transformation approach to this program area, with significantly augmented goals, by 2015.	CalSPREE - Residential HVAC (Section 4) Commercial - HVAC (Section 5)	N/A
56	Residential-Multi-family	27		62	73	Compliance AL	IOUs shall update their program implementation plans for the multi-family energy efficiency rebate program to go beyond lighting measures, address corporate level outreach, ensure appropriate training and certification for contractors, and offer technical assistance to building owners.	CalSPREE - Multifamily Energy Efficiency Rebate Program (Section 4)	N/A
57	Third Party				82	Compliance AL	Clarify that the third party requirement for 20% of the portfolio to be competitive bid to third parties, is 20% of the total portfolio budget, including EM&V costs.	N/A	Advice Letter Appendix D - Table 3.4

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58	Third Party				82	Compliance AL	Require them to show that the budget for programs solicited directly and competitively from third parties exceeds the 20% requirement.	N/A	Advice Letter Appendix D - Table 3.4
59	Third Party				83	Compliance AL	Finally, we note that the utilities' portfolio filings lack specific proposals to focus on more of their third party program initiatives on the MUSH market as directed in D.12 05 015. The same is true with respect to third party offerings focused on strategic plan objectives, such as the Sustainable Communities programs. We require the IOUs to redirect additional budget toward these types of efforts during the program cycle and to conduct a third-party solicitation targeted to the MUSH sub-sector during the 2013-2014 program period, as recommended by CILMCT in comments on the proposed decision.	IDEEA365 PIP (Sections 2 and 3)	N/A
60	WE&T	36			92	Compliance AL	IOUs shall update their program implementation plans for workforce, education, and training in their compliance filings to specify the funding for energy center classes, sector strategy efforts, training partnerships with community colleges and adult education, training partnerships with trade organizations, and training partnerships with community-based organizations or other government agencies.	WE&T PIP (Attachment 3)	N/A
61	WE&T			77		Compliance AL	The utilities should undertake a strategic planning approach to workforce, education, and training activities by hiring an expert to design a comprehensive plan. That plan should adhere to the WE&T goals in the Strategic Plan, and should address the following elements: a. Explore ways to leverage (with green jobs programs, community-based and non-profit organizations, educational institutions, the business community, and labor organizations, etc.) wherever possible and incorporate teaching minority, local low-income, disabled, displaced, and other disadvantaged communities the skills needed to meet energy-efficiency program needs, where feasible. b. Explore ways to leverage these same potential partners, wherever possible, to identify currently unemployed workers already equipped with the skills needed to meet energy-efficiency program needs, where feasible; c. Consider possible pilot programs during 2013-2014 to test new quality standards for energy efficiency projects accompanied by necessary training, increased pay for performance for contractors, and links to job placement for completing training.	WE&T PIP - WE&T Planning (Section 6.3)	N/A
62	WE&T				90	Compliance AL	We agree, that the utilities should consider the following issues in this work: Explore ways to leverage (with green jobs programs, community-based and non-profit organizations, educational institutions, the business community, and labor organizations, etc.) wherever possible and incorporate teaching minority, local low-income, disabled, displaced, and other disadvantaged communities the skills needed to meet energy efficiency program needs, where feasible; Explore ways to leverage these same potential partners, wherever possible, to identify currently unemployed workers already equipped with the skills needed to meet energy efficiency program needs, where feasible; and Consider possible pilot programs during 2013-2014 to test new quality standards for energy efficiency projects accompanied by necessary training, increased pay for performance for contractors, and links to job placement for completing training.  We also suggest a special focus on best practices for offering disadvantaged workers employment opportunities upon completion of training.	WE&T PIP - WE&T Planning (Section 6.3)	N/A
63	WE&T				92	Compliance AL	In their compliance filings, the utilities should update their materials to provide a budget breakdown by sub-program in the WE&T area, for the amount of funds spent on the following: energy center classes, sector strategy efforts for HVAC, sector strategy efforts for CALCTP, other sector strategies, training partnerships with community colleges and adult education, training partnerships with trade organizations, and training partnerships with community-based organizations or other government agencies. The IOUs should also update their narrative descriptions of their partnerships.	WE&T PIP (Attachment 3 & 3.1)	N/A