

Application No: A.14-11-
Exhibit No: _____
Witness: Daniel J. Rendler

Application of Southern California Gas
Company (U904G) for Approval of Low-
Income Assistance Programs and Budgets
for Program Years 2015-2017

Application 14-11-_____
(Filed November 18, 2014)

PREPARED DIRECT TESTIMONY OF
DANIEL J. RENDLER
(ERRATA)

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

November 18, 2014

1 outreach activities, and facilitates management of the budget.²⁶ For PY2015-2017, SoCalGas
2 requests an average annual budget of \$125.1 million per year to treat the proposed number of
3 homes, a \$7.3 million average annual decrease (or 5.5 percent) compared to 2014 (and 2015
4 bridge year funding) levels. The proposed decrease is primarily associated with the proposed
5 reduction of the homes treated goal. Offsetting the decrease are proposed increases associated
6 with the introduction of new measures, greater deployment of certain existing measures and
7 energy education, and administrative cost categories largely due to proposed efforts to reach
8 targeted customers including the multifamily segment. Overall, the estimated cost-effectiveness
9 of the proposed program is estimated to be higher than the most recently completed two program
10 years with the ESA Cost-Effectiveness Test (“ESACET”) result ~~slightly above 1.0~~ of 0.78 for
11 2015, and 0.90 for 2016 and 2017. These are described in Section II.K. of the Prepared Direct
12 Testimony of witnesses Aguirre and Yao.

13 SoCalGas also proposes enhancements to the ESA Program, including new activities
14 associated with furnaces. For example, SoCalGas in conjunction with Southern California
15 Edison (“SCE”) will offer early replacement²⁷ of High Efficiency (“HE”) Furnaces for single
16 family dwelling owners for energy efficiency purposes and also independently, as well as for
17 renters meeting certain conditions. In addition, SoCalGas is proposing to perform minor furnace
18 repairs for single family and multifamily dwelling renters.

²⁶ See Prepared Direct Testimony of Mark Aguirre and Hugh Yao, at p. 26.

²⁷ Per the California Evaluation Framework report, Prepared by TecMarket Works for the California Public Utilities Commission and the Project Advisory Group, dated June 2004, Appendix C, this refers to early replacement of existing inefficient equipment with efficient equipment. The Report can be accessed at the CPUC website: <http://www.cpuc.ca.gov/PUC/energy/Energy+Efficiency/EM+and+V/>.

1 Earlier this year, California Governor Brown proclaimed a State of Emergency calling for
2 state officials to take all necessary action to address the State's water needs.²⁸ In response to the
3 water drought, SoCalGas proposes to add measures and continue focus on existing measures that
4 directly address the water-energy nexus. SoCalGas proposes to continue to provide Faucet
5 Aerators, Low Flow Showerheads, and Thermostatic Shower Valves, among other measures in
6 the Domestic Hot Water category, and will seek to add the Thermostatic Tub Spout measure in
7 2015.²⁹ The Thermostatic Tub Spout is similar to the Thermostatic Shower Valve in that it
8 reduces hot water flow from a tub spout to a trickle when the water reaches a specific
9 temperature. The measure also has an anti-leak tub spout diverter that eliminates leaks while the
10 user is showering. Energy savings from installation of these measures is projected to be in
11 excess of ~~80~~65 percent of the portfolio total.

12 In order to reach the customers remaining to be treated by the ESA Program by 2020,
13 SoCalGas explains its existing and new outreach strategies that will be employed during the
14 2015 – 2017 years, including focus on the veterans and senior low-income communities.³⁰
15 Lastly, SoCalGas will continue to deploy and refine its approach for the eight multifamily
16 segment strategies, and continue to prioritize program infiltration in multifamily dwellings given
17 the challenges of that segment.³¹ In the course of offering the ESA Program, SoCalGas
18 leverages with a multitude of partners, including its own CARE Program, other energy utilities,
19 water utilities, state agencies, and community-based organizations, among others. SoCalGas
20 again proposes to partner with the California Department of Community Services &

²⁸ A Proclamation of State Emergency, Drought State of Emergency, dated January 17, 2014. See <http://gov.ca.gov/news.php?id=18379>.

²⁹ See Prepared Direct Testimony of SoCalGas witnesses Mark Aguirre and Hugh Yao, at Section E.1.b. (New Measures) for information regarding the Thermostatic Tub Spout.

³⁰ See Prepared Direct Testimony of Mark Aguirre and Hugh Yao, at pp. 10-14.

³¹ The multifamily segment strategies are discussed in D.12-08-044, at pp. 157 – 163.