SOUTHERN CALIFORNIA GAS COMPANY

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

(A.19-11-006)
(DATA REQUEST CALADVOCATES-ESA-CARE-KS8-SCG07)
RECEIVED: APRIL 3, 2020
SUBMITTED: APRIL 17, 2020

QUESTION 1:

In response to SCG05-Q.002, SCG provides ESA and CARE ME&O costs per household.

a) Please explain why the forecast cost per household for 2021-2026 is significantly higher in several years than the prior cycle (2017-2020) cost per household.
b) Please provide any other metrics and analyses that measure the effectiveness and performance of SCE's ME&O for ESA and CARE in enrolling customers.

RESPONSE 1:

SoCalGas' ESA and CARE Programs plan for a growth in all marketing and outreach tactics with a focus on increasing consistency and frequency to communicate with its customers. SoCalGas also plans to incorporate innovative outreach methods which include new technology. These additional efforts are intended to increase program awareness and strengthen program trust amongst the target audience.

The ESA Program meeting its yearly enrollment goal and the CARE Program reaching its penetration rate are the key metrics for ME&O. Other metrics include the following:

- email open rate, click-through rate, and click-through open rate
- text message replies
- outreach event participations and attendance
- and media campaign reach, impressions, webpage landings, and cost per landing page arrival

SoCalGas ME&O has an integrated multi-pronged approach utilizing the tactics mentioned above to drive enrollments for the ESA and CARE Programs; therefore, it does not track which tactic motivated the customer to apply.

QUESTION 2:

Please list ESA measures from the 2017-2020 program cycle in a table formatted like the current application's tables A-8 and A-9, showing the individual measure names, forecasted measure ESACET scores, and actual ESACET scores in separate columns.

a) Were there any insights or lessons learned about why the forecasted and actual ESACET values differed?

RESPONSE 2:

a) ESACET has 4 factors: Participant Non-Energy Benefits (NEBs), Utility NEBs, Gas Benefits, and Total Resource Cost (TRC). Changes in any of these factors would result in variances between forecasted and actual ESACET values.

Measure data includes quantities installed, total costs, therm savings, and Expected Useful Life (EUL). They are what influence the outcome of the 4 factors above.

The forecasted and actual ESACET values for 2017 and 2018 show no major differences. While both years have the same values of therm savings and EUL for all measures; quantities installed, and total cost would be the factors resulting in minor variances.

For 2019, lower ESACET values are primarily the result of substantially lower therm savings values adopted from the 2015-2017 Impact Evaluation, as well as EUL changes based on the Investor Owned Utilities (IOU) newly updated workpapers. NEBs calculation assumptions were also changed after the completion of the 2019 NEBs study. Finally, actual measure quantities installed were lower than SoCalGas' 2019 program forecast. These changes resulted in the lowered ESACET scores for 2019 in most cases, when compared with the forecasted values. SoCalGas expects similar results for 2020. Data will be available in the 2020 annual report.

See attached file.

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CA-ESACARE-KS6-D
R7-Q2.xlsx

QUESTION 3:

Has SoCalGas analyzed installation trends and/or energy savings potential in the prior cycle (2017-2020) to determine forecasted measure installations and budgets for the 2021-2026 application?

a) Please provide specific examples of the budget adjustments that were made as a result of the analysis conducted above in Q3 and include the areas where SoCalGas observed variances in forecasted quantities and installation uptake.

RESPONSE 3:

Page 45 of the ESA Program Testimony states “SoCalGas’ starting point for forecasting above-the-line costs, with respect to continuing activities, is the relative frequency of measure installations per home treated in program year 2018.” Page 46 states “Compared with baseline historical costs, adjustments that have been made in the forecast include reducing over time the amount of enrollment cost based on a goal to transition up to 65% of enrollments to occur online by the final year of the new cycle. Similarly, SoCalGas anticipates a reduction of energy education costs. New measures, and measures that are to be deployed in a different manner in the new cycle, have been forecast based on the frequency of similar measures, or criteria in the home, from manufacturer data, and based on the expected impact of using analysis and digital approaches to drive delivery of the most impactful measures when the opportunity arises. Thus, the proposed balance of funding varies from that adopted in the prior budget cycle, largely reflecting the programmatic adjustments SoCalGas is proposing emphasizing a more flexible, modular program that puts the customer in greater control and leverages technology to interact with customers and identify those customers presenting opportunities for deep savings and other prioritization targets.”
Per SoCalGas’ response in Question 12 in Data Request 1 (Cal Advocates-ESA_CARE-KS6-SCG01) “Compared with actual frequencies experienced in 2018, SoCalGas has made the following adjustments in its 2021-2026 projections:

- For enrollment, the process of recording customer income and other information and documenting a customer agreement for an eligible customer, is assumed to be replaced with on-line enrollments in up to 65% of cases, with 1.5 on-line enrollments assumed for each traditional enrollment replaced. The 1.5 factor is intended to account for enrollment activity that does not actually result in any further engagement in the ESA Program.

- Tub spout installation frequencies are assumed to double to 7.2% of homes compared with 2018 levels which were impacted by slow adoption in SoCalGas' program through 2018.
- Air sealing measure frequencies are reduced by 40% to account for SoCalGas' expectation that air-sealing measures will need to be focused more narrowly by climate zone and for the purpose of targeting indoor air quality improvement.
- SoCalGas assumes that conventional furnace replacement will be completely displaced by High Efficiency (HE) furnace replacement, thus reducing the frequency of the conventional “Furnace Repair/Furnace Replacement” measure forecast to 3.5% from 8.7% of treated homes (removing all replacements and leaving repairs only).
- HE clothes washer frequency is assumed to double to 8.2% of treated homes from the 4.1% level experienced in 2018. This increase reflects efforts underway to boost washer installations in the current cycle. The program delivered over 26,000 washers compared with just under 93,000 treated in 2014, supporting the view that higher frequencies are possible.

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QUESTION 4:

Please provide a table showing the following data for each shift of funds in 2017-2020 into or out of administrative overhead, regulatory compliance, measurement and evaluation, pilots and studies, or education costs categories/subcategories; between gas/electric programs; and of amounts totaling 15% or more of those respective years' total annual ESA Program budgets:

a) Year of fund shift
b) Category/subcategory/program fund source
c) Category/subcategory/program fund recipient
d) Dollar amount shifted
e) Percent of ESA Program budget shifted

RESPONSE 4:

ESA FUNDSHIFTING - M&E STUDIES
2017 - 2020

	2017			2018			2019			2020			2017 - 2020		
Budget Category Line Items	**Auth Budget**	**Spend**	**Budget vs Spend**	**Auth Budget**	**Spend**	**Budget vs Spend**	**Auth Budget**	**Spend**	**Budget vs Spend**	**Auth Budget**	**Spend**	**Budget vs Spend**	**Auth Budget**	**Spend**	**Budget vs Spend**
M&E Studies	115,625	192,970	(77,345)	153,125	100,437	(52,688)	115,625	157,722	42,098	115,625	(592)	116,216	500,000	450,538	49,462
Carry-back Fund Shift From 2018	77,345			(77,345)											
Revised Balance Totals	192,970	192,970	(0)	75,780	100,437	(24,657)	115,625	157,722	42,098	115,625	(592)	116,216	500,000	450,538	49,462
Carry-back Fund Shift From 2019				24,657			(24,657)								
Revised Balance Totals	192,970	192,970	(0)	100,437	100,437	0	90,968	157,722	(66,755)	115,625	(592)	116,216	500,000	450,538	49,462
Carry-back Fund Shift From 2020							66,754			(66,755)					
Revised Balance Totals	**192,970**	**192,970**	**(0)**	**100,437**	**100,437**	**0**	**157,722**	**157,722**	**(0)**	**48,870**	**(592)**	**49,461**	**500,000**	**450,538**	**49,462**
ESA Authorized Budgets	133,369,265			129,251,729			131,836,750			134,473,450					
% Of ESA Program Budget Shifted				-0.06%			-0.02%			-0.05%					

Note: Carryback from 2018 to 2017 of $77,345 and 2019 to 2018 of $24,657 resulted in 2019 available budget of $90,698, therefore, carryback from 2020 to 2019 in the amount of $66,755 was needed to fund 2019 spend. Measurement and Evaluation studies authorized 2017 - 2020 budget is $500,000 per Resolution G-3532.

QUESTION 5:

Please justify SoCalGas' proposed change to the fund shifting policy, using recent evidence from the process of gaining approval for fund shifts.

RESPONSE 5:

SoCalGas' proposal to align ESA Program fund shifting rules with Energy Efficiency fund shifting rules are based on the following:

- D.17-12- 009, the Commission directed that there needed to be updates to the current fund shifting rules to better align with the directives in the EE programs in R.13-11-005.[1]
- SoCalGas agrees with the Commission's finding that "fund shift ALs received minimal review, had no significant impact on portfolio, and contribute to regulatory churn."[2] Therefore, SoCalGas proposes to track and report its ESA Program fund shifting activities via the Low Income monthly and annual reports.

[1] D.17-12-009 FOF 78, at 417.
[2] D.15-10-028 at 91.

QUESTION 6:

How many dollars of unspent funds from the 2017-2020 program cycle does SoCalGas expect to carry over to the 2021-2026 program cycle?

RESPONSE 6:

SoCalGas does not anticipate having any unspent funds by the end of the 2017-2020 program cycle. Page 59 of the ESA Program Testimony states "New cycle budgets and rate impacts are presented on the basis that by the end of December 2020, SoCalGas' ESA Program will have no unspent funds due to activities underway, described above, to ramp up to reach the 2020 goal." Further, in the event that SoCalGas has unspent funds remaining in the end of the cycle, the company does not propose to carry them forward into the new cycle.[3]

[3] SoCalGas ESA Testimony at p .60.