

Energy Efficiency

# 2019 ANNUAL BUDGET ADVICE LETTER OVERVIEW

CAEECC Meeting – August 2, 2018

# 2019 Budget & Cost-Effectiveness

SoCalGas DRAFT PY FORECAST ENERGY SAVINGS (Net)

Sector	Program Year (PY) Budget			
	(\$000's)	MWh	MW	therms (000s)
Residential	\$45,654	1,727	0.78	18,694
Commercial	\$19,189	296	0.01	4,731
Industrial	\$13,498	-	-	4,694
Agriculture	\$4,208	297	-	1,576
Emerging Tech	\$1,484	-	-	-
Public	\$8,512	4	-	1,023
Codes and Standards	\$847	-	-	26,000
WE&T	\$3,657	-	-	-
Finance	\$659	-	-	-
OBF Loan Pool	\$0	-	-	-
<b>SoCalGas Subtotal</b>	<b>\$97,709</b>	<b>2,323</b>	<b>0.78</b>	<b>56,718</b>
	<b>CPUC Savings Goal</b>	-	-	48,000
	<b>Forecast savings as % of CPUC Savings Goal</b>			118%
SoCalGas EM&V	\$4,252			
SoCalGas PY Spending Budget Request <sup>1</sup>	\$101,961			
(LESS) SoCalGas Uncommitted and Unspent Carryover Balance <sup>2</sup>	\$35,536			
SoCalGas PY Budget Recovery Request <sup>3</sup>	\$66,425			
SoCalGas Authorized PY Budget Cap (D.18-05-041)	\$106,298			
CCA PY Budget Recovery Request (excl. CCA Uncommitted/Unspent Carryover) <sup>4</sup>				
REN PY Budget Recovery Request (excl. REN Uncommitted/Unspent Carryover) <sup>4</sup>	\$5,666			
<b>Total SoCalGas (SoCalGas+SoCalREN+3C-REN ) PY Recovery Budget<sup>5</sup></b>	<b>\$72,091</b>			
IOU Forecast PY TRC	1.11			
IOU Forecast PY PAC	1.32			

# Proposed Portfolio/Program Changes

- » Funding Increases
  - Foodservice Point of Sale (POS)
  - Plug Load and Appliance (PLA)
  - AB 793 Residential Energy Management Technology Solution
- » Establishment of comprehensive/sector-related programs
  - Public Deemed and Direct Install Programs
  - Strategic Energy Management
  - Comprehensive Direct Install Programs
- » Programmatic changes to align with the objectives of SoCalGas' Business plan, Statewide programs, and meet expected energy savings
  - Residential Energy Efficiency Program
  - Savings by Design
  - Residential Direct Install

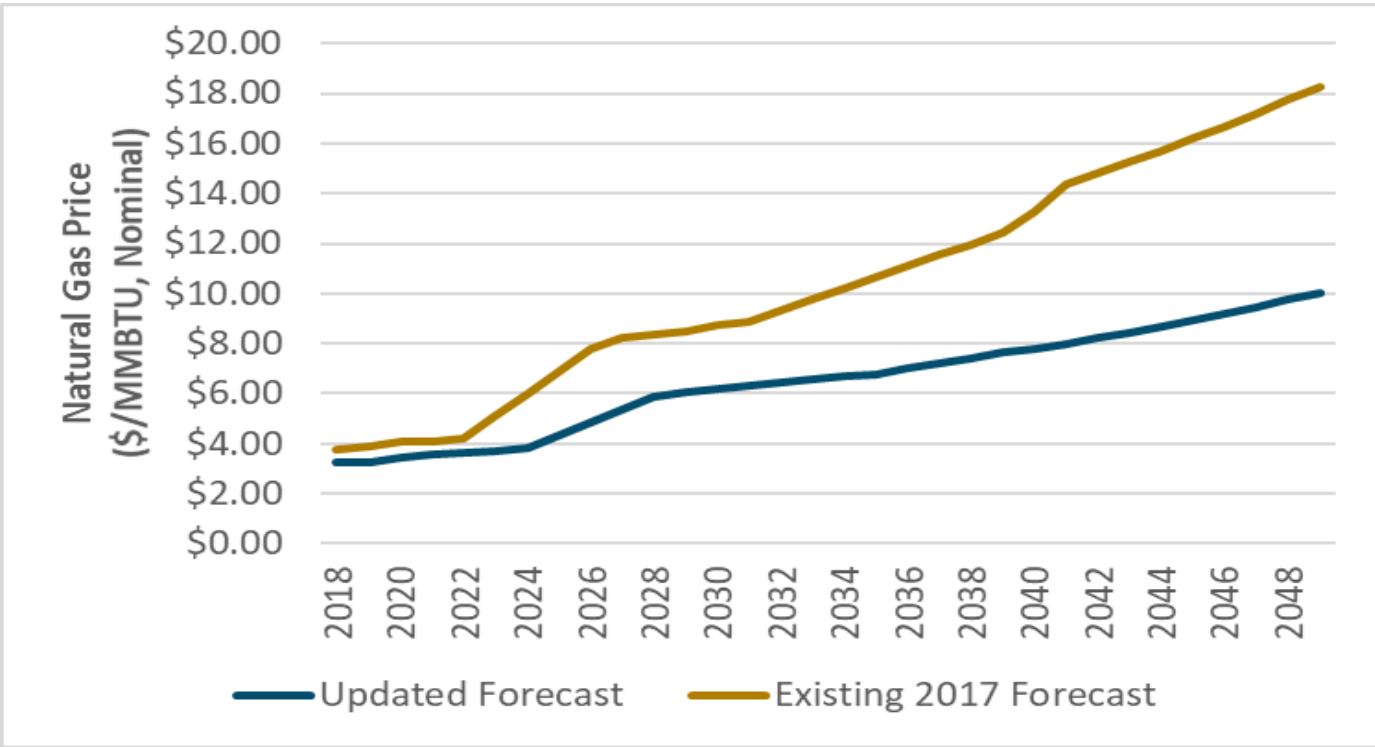
# Proposed Portfolio/Program Changes (cont.)

- » SoCalGas is proposing to close the following programs to balance the portfolio and improve cost-effectiveness
  - 3P-CA Sustainability Alliance
  - 3P-Portfolio of the Future (POF)
  - 3P-PACE Energy Savings Project
  - 3P-IDEEA365-Waypoint Connect
  - ARRA- Originated Financing – EmPower Central Coast Financing program
  - WE&T Strategic Planning
  - Water Energy Nexus Shared Network Advanced Meter Infrastructure (AMI) Pilot
  - Commercial Continuous Energy Improvement (CEI)
  - Agricultural CEI

# Cost-Effectiveness Challenges – Forecast of Natural Gas Prices

2019 Avoided Costs	
TRC	1.11
PAC	1.32

2018 Avoided Costs	
TRC	1.38
PAC	1.64



# Focus on Cost-Effectiveness

- » Solicitation Process: Refresh market segment approaches with new contracts
- » Expand program partnerships with municipal electric utilities, water agencies, and air quality districts
- » Expand residential behavior program offerings, including Seasonal Savings and Home Energy Reports
- » Leverage expanded financing to drive more EE projects
- » Continuous process improvement on delivery strategies

# Questions