

July 6, 2018

ADVICE 3821-E
(Southern California Edison Company U 338-E)

ADVICE 5324-E / 3989-G
(Pacific Gas and Electric Company U 39-E)

ADVICE 3242-E / 2685-G
(San Diego Gas & Electric Company U 902-E)

ADVICE 5321-G
(Southern California Gas Company U 904-G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company's 2017 Energy Efficiency Incentive Award Earnings Rates and Award Caps

I. PURPOSE

Pursuant to Resolution E-4897 (Resolution), issued on December 14, 2017, Pacific Gas and Electric Company (PG&E), San Diego Gas and Electric Company (SDG&E), Southern California Gas Company (SoCalGas) and Southern California Edison Company (SCE) (collectively, the IOUs) jointly submit this Tier 1 Advice Letter (AL) calculating the 2017 program year (PY) Efficiency Savings and Performance Incentive (ESPI) Mechanism earning rates and award caps.

II. BACKGROUND

Ordering Paragraph (OP) 8 of the Resolution directs the IOUs to submit a Tier 1 AL within 30 days of the issuance of the 2018 ESPI guidelines calculating the 2017 PY ESPI Mechanism earning rates and award caps.¹ Additionally, OP 8 directs the IOUs to

¹ The Commission published the 2018 ESPI Guidelines on June 6, 2018.

include a comprehensive list of the IOUs' energy efficiency (EE) programs and budget placements in compliance with the guidelines for the 2018 ESPI ALs.²

III. THE 2017 PY ESPI STATEWIDE EARNINGS RATES

Table 1 shows the 2017 PY ESPI Statewide Earnings Rates, as calculated in the template presented in Attachment 1. The budgets are allocated by savings type according to estimated relative contribution to portfolio net benefits within each IOU's budget, then summed to calculate the total allocated statewide budget. PG&E's and SDG&E's budget allocations are 56.7%, 28.3%, and 15% for electricity, peak, and gas savings, respectively. SCE's budget allocation is 67% for electricity savings and 33% for peak savings. SoCalGas' budget is allocated 100% to gas savings.

Table 1 - 2017 Portfolio Earning Rate

	Allocated ÷ Budget	Lifecycle = Goals	Statewide Earnings Coefficients
Electricity Savings (GWh/year)	\$34,460,579	14,554	\$2,368
Peak Savings (MW)	\$17,103,503	2,266	\$7,549
Gas Savings (MMT/year)	\$10,152,705	404	\$25,106

IV. THE 2017 PY ESPI INCENTIVE EARNINGS CAPS

Table 2 shows the 2017 ESPI Award cap, as calculated in the template presented in Attachment 1.

² Resolution, at p. 41.

Table 2 - 2017 ESPI Award Cap by Component

	Energy Efficiency Savings	Ex-Ante Review	Codes & Standards	Non-Resource	Total
	9% of Resource Program Budget	3% of Resource Program Budget	12% of C&S Program Budget	3% of Non-Resource Program Budget	
PG&E	\$26,374,389	\$8,791,463	\$1,973,606	\$908,786	\$38,048,244
SCE	\$21,863,178	\$7,287,726	\$671,252	\$678,887	\$30,501,044
SDG&E	\$8,567,851	\$2,855,950	\$109,303	\$248,726	\$11,781,829
SoCalGas	\$4,911,369	\$1,637,123	\$91,293	\$376,441	\$7,016,226

V. ATTACHMENT

Attachment 1 contains the template used to calculate the ESPI award rate and earnings cap and presents the 2017 ESPI Program Expenditure data. The calculations for the ESPI award rate and earnings cap are included in the worksheet labeled 2017 Earning Rates & Caps. The Program Authorized Budget data for PG&E, SDG&E, SoCalGas, and SCE is presented in the worksheets labeled ESPI Programs Budget PGE, SCG, SCE and SDGE respectively.

VI. AUTHORIZATION

This Advice Letter is submitted by SCE on behalf of, and with authorization from, PG&E, SDG&E, SoCalGas and SCE.

VII. TIER DESIGNATION

Pursuant to the Resolution, OP 8, this AL is submitted with a - 1 designation.

VIII. EFFECTIVE DATE

Pursuant to the Resolution, OP 8, this AL is submitted with a Tier 1 designation and the IOUs request that it be made effective on July 6, 2018, the date submitted.

IX. NOTICE

Anyone wishing to protest this submittal may do so by letter sent via U.S. mail, facsimile or E-mail, no later than July 26, 2018, which is 20 calendar days after the date of this

submittal. Protests must be submitted to:

CPUC Energy Division
ED Tariff Unit
505 Van Ness Avenue, 4th Floor
San Francisco, California 94102
Facsimile: (415) 703-2200
E-mail: EDTariffUnit@cpuc.ca.gov

Copies of protests also should be mailed to the attention of the Director, Energy Division, Room 4004 (same address above).

In addition, protests and all other correspondence regarding this Advice Letter shall be sent either via E-mail or U.S. mail (and by facsimile, if possible) at the addresses shown below on the same date it is mailed or delivered to the Commission:

Gary A. Stern, Ph.D.
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Telephone: (626) 302-9645
Facsimile: (626) 302-6396
E-mail: AdviceTariffManager@sce.com

Laura Genao
Managing Director, State
Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2030
San Francisco, California 94102
Facsimile: (415) 929-5544
E-mail: Karyn.Gansecki@sce.com

Erik Jacobson
Director, Regulatory Relations
c/o Megan Lawson
Pacific Gas and Electric Company
77 Beale Street, Mail Code B13U
P.O. Box 770000
San Francisco, California 94177
Facsimile: (415) 973-3582
E-mail: PGETariffs@pge.com

Megan Caulson
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E-mail: mcaulson@semprautilities.com

Ronald van der Leeden
Director, Regulatory Affairs – GT14D6
Southern California Gas Company
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile: (213) 244-4957
E-mail: rvanderleeden@semprautilities.com

Ray B. Ortiz
Tariff Manager – GT14D6
555 West Fifth Street
Los Angeles, CA 90013-1011
Facsimile: (213) 244-4957
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There are no restrictions on who may submit a protest, but the protest shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with General Rule 4 of General Order 96-B, SCE is serving copies of this advice letter to the interested parties shown on the attached GO 96-B and R.13-11-005 service lists. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-4039. For changes to the service list, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at Process_Office@cpuc.ca.gov.

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by submitting and keeping the advice letter at SCE's corporate headquarters. To view other SCE advice letters submitted with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Frank Harris at 626-302-1718 or by electronic mail at frank.harris@sce.com

Southern California Edison Company

/s/ Gary A. Stern, Ph.D.
Gary A. Stern, Ph.D.

GAS:fh:jm
Enclosures

CALIFORNIA PUBLIC UTILITIES COMMISSION

ADVICE LETTER SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

- ELC GAS
 PLC HEAT WATER

Contact Person: Darrah Morgan

Phone #: (626) 302-2086

E-mail: Darrah.Morgan@sce.com

E-mail Disposition Notice to: AdviceTariffManager@sce.com

EXPLANATION OF UTILITY TYPE

ELC = Electric GAS = Gas
 PLC = Pipeline HEAT = Heat WATER = Water

(Date Submitted/ Received Stamp by CPUC)

Advice Letter (AL) #: 3821-E

Tier Designation: 1

Subject of AL:

Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company's 2017 Energy Efficiency Incentive Award Earnings Rates and Award Caps

Keywords (choose from CPUC listing):

Compliance, Energy Efficiency

AL type: Monthly Quarterly Annual One-Time Other

If AL submitted in compliance with a Commission order, indicate relevant Decision/Resolution #:

Resolution E-4897

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: _____

Summarize differences between the AL and the prior withdrawn or rejected AL: _____

Confidential treatment requested? Yes No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required? Yes No

Requested effective date: 7/6/18

No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): _____

Estimated system average rate effect (%): _____

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: None

Service affected and changes proposed¹: _____

Pending advice letters that revise the same tariff sheets: None

¹ Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later 20 days, July 26, 2018, after the date of this submittal, unless otherwise authorized by the Commission, and shall be sent to:

CPUC, Energy Division
Attention: Tariff Unit
505 Van Ness Avenue
San Francisco, California 94102
E-mail: EDTariffUnit@cpuc.ca.gov

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