SoCalGas PY2001 – 1Q2002 Energy Efficiency Programs Expenditure Report

First Quarter - 2002

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I. Executive Summary

The Commission, in D.01-11-066, authorized the continuation of PY2001 programs until March 31, 2002, to avoid a program funding gap prior to authorization of PY2002 programs. Southern California Gas Company (SoCalGas) was authorized a total of $2,699,000 of funding to be budgeted as follows: $963,000 to the Residential Program Area; $1,196,000 to the Nonresidential Program Area; and, $540,000 to the New Construction Program Area.

SoCalGas' first quarter PY2002 program activities were severely curtailed due to the budget cutbacks imposed by the Commission and due to uncertainty regarding whether and what future program activities would ultimately be authorized by the Commission.

Residential Program Area

SoCalGas' $0.96 million residential program area budget supported labor costs and the limited continuation of information and upstream programs. Residential program incentives were funded by SBX1 5 funding. SoCalGas' residential program area budget historically is dominated by the Statewide Residential Contractor program (RCP) effort. There was insufficient budget to provide additional rebate dollars, but SBX1 5 funding from PY2001 did allow the Residential Contractor programs, Home Energy Rebate program and Statewide Appliance program to continue unabated.

Nonresidential Program Area

Authorized nonresidential program area funding of $1.2 million supported labor expenditures and a very truncated array of program activities, including Statewide Express Efficiency rebates and a limited number of events at the Energy Resource Center. Response to the continued Express Efficiency program was modest due to the uncertainty in the marketplace regarding continuation of program efforts.

New Construction Program Area

The $540 thousand budget authorized for new construction program area funding supported labor costs for SoCalGas' Energy Advantage Home program (EAHP) and Savings By Design program. Limited monies were also available for support of builder activities. Most effort focused on shutdown of the PY2001 EAHP incentive activity and upon preparing for the transition to the Statewide Residential New Construction program.

Statewide and Crosscutting Programs

SoCalGas' major statewide and crosscutting program efforts are the RCP, Statewide Appliance program, Express Efficiency, and Savings By Design (SBD). The SBX1 5 funding for the RCP and Statewide Appliance efforts allowed the program to be extended through the first quarter of 2002. Limited additional first quarter rebate funding was made

available for Express Efficiency. The SBD program was limited to labor funding during the first quarter, although some marketing efforts were able to be continued.

Market Assessment and Evaluation

SoCalGas is not responsible for any of the statewide measurement and evaluation studies. Utility specific market assessment and evaluation activity was limited to incentive tracking and verification for the RCP, Statewide Appliance, and Express Efficiency programs during the first quarter of 2002.

Summer Initiative Program

SoCalGas' Summer Initiative Program funding was linked to one effort – the multi family Hard-to-Reach program. As of December 31, 2001, $3.97 million of the $4 million budget was paid to contractors under the program. The program was not extended into 2002. Five of the nine contractors applied for and received additional funding which expended the total budget. Energy savings were less than expected due to many of the contractors focusing on door weatherization, aerator and showerhead measures that achieve modest savings at best.

II. Residential Program Area

SoCalGas' first quarter 2002 budget for the Residential Program Area was $963,000. The available funds were used for labor costs and program costs. Customer incentives in the ongoing RCP and Statewide Appliance programs were funded with SBX1 5 dollars.

Residential Information Programs

The residential information programs was comprised of three programs for the first quarter of PY2002: Statewide Energy Guide, Energy Facts, and the Energy Resource Center.

Statewide Energy Guides

Description:

The Statewide Energy Guides program distributes information on energy efficiency to residential and small nonresidential customers. SoCalGas operates both the residential ("The Big Picture: A Step-by-Step California Guide to Smarter Home Energy Use") and nonresidential ("Smarter Business Energy Use: Saving Energy & Money") energy guides efforts through this program. The same organizational unit within SoCalGas supports residential and small nonresidential customers.

Update/Current Activities/Market Progress:

- Available funding was used to pay ongoing program costs, including labor.
- The Statewide Energy Guides element budget was reduced from $282 thousand to $182 thousand in PY2001 in order to support third party program requirements. It will be continued under a local program, the Diverse Market Outreach Program, during the last three quarters of PY2002.
- "Quick Tips" single page guides, which are available in English, Spanish, Chinese, Vietnamese and Korean continue to be distributed.
- The Statewide Energy Guides, both residential and business, now available in three languages (English, Spanish and Chinese) on a statewide energy efficiency website, will also continue to be made available.
- The information presented in the residential "Quick Tips" guide may be found on the SoCalGas web site in the "Interactive Home Tour" at: http://www.socalgas.com/residential/interactivehome/.

Energy Facts

Description:

Energy Facts is a small effort that provides residential customers with energy efficiency information and education through SoCalGas' web site. The objective of this program is to increase the strength of web channels for energy efficiency information.

Update/Current Activities/Market Progress:

- Expenditures in the first quarter of 2002 continued to fund a portion of one person's time to review, update and revise the Energy Facts pages on SoCalGas' web site and to

develop energy savings estimates for "quick tips" guides provided to residential and small commercial customers.

Energy Resource Center

Description:

SoCalGas' Energy Resource Center (ERC) is a platform for influencing the way the utility's 4+ million residential customers use both gas and electricity. The facility houses a significant portion of SoCalGas' energy efficiency staff and provides the space required to demonstrate the benefits of high efficiency technologies to customers. It also serves as a focal point for company educational efforts targeted at both residential and nonresidential customer groups.

Update/Current Activities/Market Progress:

- Available funding was used to pay ongoing program costs, including direct labor and seminar expenses.
- 37 training seminars were held during the first quarter at the ERC or under the auspices of the ERC.
- A statewide energy center website was designed and is currently available to the public (www.energyefficiencycenter.com).

Residential Energy Efficiency Incentives Programs

Two programs are contained within this category: The Statewide Residential Appliance program and the Residential Contractor program. The Statewide Residential Appliance program focuses on the major energy-using appliances in the home: clothes washers and dishwashers in the case of SoCalGas. The Statewide Residential Contractor program is far and away the largest program in SoCalGas' array of Residential program efforts. Both programs were continued unabated from PY2001 because of the availability of SBX1 5 monies.

Statewide Residential Appliance Program Element

Description:

The Statewide Residential Appliance program focuses on the major, stand-alone energy-using appliances in the home: refrigerators, clothes washers, dishwashers, and room air conditioners. The markets for these appliances have similar structures, with products moving from manufacturers through retailers to customers in similar ways. The objective of this program is to improve distribution and stocking of high efficiency appliances statewide. Funding of SoCalGas projects focuses on Energy Star clothes washers and dishwashers, supported by SBX1 5 funding. Consumer rebates are the primary focus of this effort.

Update/Current Activities/Market Progress:

- This program received no allocation of funds from the authorized first quarter 2002 budget. Qualifying customer incentives were paid using available SBX1 5 funds.

Residential Contractor Program Element

Description:

The Residential Contractor Program (RCP) element (which actually comprises two separate intervention strategies – single family and multi family) seeks to promote and facilitate an increase in the application of "whole-systems" and "whole-house" approaches to discretionary residential retrofit activities while generally building the market penetration of individual energy efficient products and services. This program promotes the development of a more highly skilled group of contractors who can provide comprehensive energy efficiency services, and encourages those contractors to promote comprehensive energy efficiency services to single family and multi family residential property owners.

The single-family component of the program was modified in the first quarter of 2001 in order to promote more rapid adoption of energy efficiency measures. The existing single family RCP was divided into a "Home Efficiency Rebate" program that allows customers direct access to incentive monies without the use of an RCP-approved contractor and the traditional RCP effort that retained duct testing and sealing and AC diagnostic efforts.

SoCalGas' Home Energy Upgrade Financing (HEUF) program is also promoted through the RCP. This energy efficient loan program (for both secured and unsecured financing) is promoted primarily with shareholder funds, but is operated in conjunction with the RCP because of inherent program synergies.

Update/Current Activities/Market Progress:

- Available funding was used to pay ongoing program costs, including labor. Qualifying customer incentives were paid using available SBX1 5 funds.
- No additional outreach was conducted during the first quarter of 2002 with the exception of follow-up activities with multi family contractors to move projects forward more rapidly.
- The focus of single family program efforts was to process rebate applications as quickly and cost efficiently as possible in order to maximize the effectiveness of SBX1 5 funding.

Residential Energy Management Services Programs

SoCalGas operated one Residential Energy Management Services program for the first quarter of PY2002, Home Energy Fitness, its longstanding mail and web-based audit program.

Home Energy Fitness Element

Description:

The Home Energy Fitness program promotes the adoption of energy efficient measures and actions by providing informational audits to residential customers. The program provides residential customers with an individualized assessment of their energy consumption, efficient appliance information, as well as recommendations on how to help reduce energy bills through simple changes in the way both gas and electric appliances are used.

Update/Current Activities/Market Progress:

- SoCalGas mailed 18,000 survey solicitation packages during the first quarter. A total of 13,224 mail-in audits were processed during the same period.
- The Home Energy Fitness online survey continued to be available during the first quarter. The website provides online audits for customers with access to the Internet. By 2001 year-end, 3,695 unique customers made 4,713 to the website. First quarter 2002 results show increased activity with 1,285 completed customer online audits.

Residential Upstream Programs

Upstream programs include Residential Upstream Gas Air Conditioning and Emerging Technologies. The Residential Upstream Gas Air Conditioning program promotes the selection and installation/refurbishment of high efficiency space conditioning systems in single family and multi family residential dwellings. The Emerging Technologies program (formerly titled Select Technologies) efforts center on the commercialization of several different home appliances and gas equipment including: higher efficiency water heaters (being developed in response to flammable vapors ignition concerns), new gas ranges with smooth glass tops, hearth products and combo heating systems, among other emerging products.

Residential Upstream Gas Air Conditioning Program

Description:

This upstream program has two major objectives. First, it promotes the replacement of existing, older inefficient 2-5 ton natural gas air conditioning units. Second, it supports the development of a natural gas heat pump through the continued commercialization of energy efficient natural gas air conditioning. Qualifying units must have a coefficient of performance (COP) greater than or equal to 0.62 for cooling.

Update/Current Activities/Market Progress:

- Available funding was used to pay ongoing program costs, including labor. No customer incentives were paid in this quarter.

- The program was "wound down" in the first quarter since Commission budget cutbacks and budget reallocations necessitated that SoCalGas drastically scale back PY2002 efforts. Lack of continuing funds for Q2/02 through Q4/02 prompted limited activity in the first quarter.

Emerging (Select) Technologies Program

Description:

This program element focuses on emerging high efficiency, gas-fired residential technologies. Efforts center on several different home appliances and gas equipment including: higher efficiency water heaters (being developed in response to flammable vapor ignition concerns), new gas ranges with smooth glass tops, hearth products and novel combo heating systems, among other products. The program is specifically targeted at the commercialization of emerging technologies.

Update/Current Activities/Market Progress:

- Available funding was used to pay ongoing program costs, primarily labor. No customer incentives were paid in this quarter.

III. Nonresidential Program Area

SoCalGas had eight operational nonresidential programs for the first quarter of program year 2002. The total budget was $1.196 million of which $1.193 million was expended by the end of March.

Available funding was used to pay ongoing program costs, primarily labor. Customer incentives were available in the commercial equipment replacement programs, industrial energy efficiency incentives programs, and Statewide Express Efficiency program, although activity levels were very modest due to the limited funds available for incentives and the lack of funds for program promotion (other than labor for direct outreach).

Nonresidential Information Programs

The Nonresidential Information group of program includes two efforts, Nonresidential Information program and Energy Resource Center.

Nonresidential Information Program

Description:

SoCalGas' Nonresidential Information Program provides funding for general outreach to SoCalGas' more than 200,000 core nonresidential customers. General energy efficiency messages delivered via bill stuffers, radio, and print media are funded through this program. In addition, the nonresidential components of SoCalGas' energy efficiency web pages are created and maintained using these program dollars. The call center serving nonresidential customers is also partially funded through this effort.

Update/Current Activities/Market Progress:

- First quarter funding was used to pay labor expenses and for alterations to the SoCalGas website in order to reflect PY2002 program efforts. There were insufficient funds to provide any further outreach or program support activities.

Energy Resource Center

Description:

As discussed above in the Energy Resource Center discussion in the Residential Information Program section, SoCalGas' Energy Resource Center (ERC) is a platform for influencing the way the utility's 215,000 core nonresidential customers and 4+ million residential customers use both gas and electricity. The facility houses a significant portion of SoCalGas' energy efficiency staff and provides the space required to demonstrate the benefits of high efficiency commercial and industrial technologies to customers. It also serves as a focal point for company educational efforts targeted at both residential and nonresidential customer groups. The Food Service Center resides within the ERC. The ERC budget for the first quarter is split between the Residential and Nonresidential Program Area budgets to reflect the cross-cutting role that this facility serves.

Update/Current Activities/Market Progress:

- As mentioned previously, 37 seminars were hosted by the ERC in the first quarter. These seminars served the full breadth of SoCalGas' core customers. While first quarter efforts in 2002 were reduced relative to previous years due severe energy efficiency budget cutbacks, efforts included eight food service seminars, six residential new construction seminars, six gas combustion seminars (including one in Spanish), three HVAC diagnostics seminars, among others.
- Available funding was used to pay ongoing program costs, primarily labor and seminar expenses.
- A statewide energy center website was designed and is currently available to the public (www.energyefficiencycenter.com).

Nonresidential Energy Efficiency Incentives Programs

The program group comprises three programs: Commercial Equipment Replacement, Industrial Energy Efficiency Incentives, and the Statewide Express Efficiency program.

Commercial Equipment Replacement Program

Description:

The Commercial Equipment Replacement program has been the long-standing energy efficiency incentive program for SoCalGas' small and medium-sized core nonresidential customers. Historically, its focus was on providing incentives for high efficiency space conditioning, water heating, and cooking equipment – the primary gas end uses for small commercial customers. As the Statewide Express Efficiency program has grown and incorporated a broader array of gas and electric measures, the Commercial Equipment Replacement program has focused on high efficiency gas cooking and laundry equipment that has not yet been incorporated into the Statewide Express Efficiency program.

The Industrial Energy Efficiency Incentives program focuses on process–related efficiency improvements for nonresidential customers with SIC 20-39.

Update/Current Activities/Market Progress:

- Activity in this program was limited to direct customer outreach by program staff.
- Available funding was used to pay labor costs. There was insufficient money to allow promotion of customer incentives during the first quarter, due to the uncertainty of local program funding for the remainder of the year.

Industrial Energy Efficiency Incentives Program

Description:

The Industrial Energy Efficiency Incentives program focuses on process–related efficiency improvements for nonresidential customers with SIC 20-39. The program creates an opportunity to retire or retrofit the existing equipment early and replace it with new, high efficiency equipment and/or controls. Specific applications targeted include: process

equipment with no pre-existing insulation for hot water or steam lines, no pre-existing insulation for hot water tanks, inefficient burners, or incorrectly sized process equipment. Energy efficiency measures include: heat recovery systems, pipe insulation, tank insulation, thermocouples, burner replacement, rebuilds of ceramic fiber insulation, hot water or steam boilers (non-space conditioning) and digital controls.

Update/Current Activities/Market Progress:

- Activity in this program was limited to direct customer outreach by program staff.
- Available funding was used to pay labor costs. While some incentive monies were made available, the longer lead times associated with industrial process improvements meant no incentives were paid. The uncertainty of continued local program funding needed for support of this program for the remainder of the year also reduced first quarter program outreach.

Statewide Express Efficiency Element

Description:

The Statewide Express Efficiency element offers prescribed rebates for specific energy efficiency measures used by small and medium-sized nonresidential customers. The rebates are promoted through utility representatives, equipment distributors, SoCalGas website, contractors, and energy efficiency service providers. SoCalGas provides rebates for storage water heaters, hot water boilers, space heating boilers, power burners, infrared burners, and greenhouse heat curtains.

Update/Current Activities/Market Progress:

- Program funding was provided for labor and incentives.
- By the end of the quarter, 24 applications for storage water heaters, two applications for space heating boilers, two applications for hot water boilers, and one application for a power burner fryer had been processed.

Nonresidential Energy Management Services Programs

The Energy Management Services group of program includes three distinct efforts, Commercial Energy Management Services program, Industrial Energy Management Services program, and Energy Edge.

Walkthrough audits are made available for all nonresidential core customers. Commercial and Industrial "Super" audits are conducted by third party engineering consultants when SoCalGas customer representatives determine that the customer would gain substantively from a more extensive audit. In PY2001, an online nonresidential audit capability was added to the SoCalGas website.

Commercial Energy Management Services Program

Description:

The Commercial Energy Management Services program provides walk-though and third party (i.e., Super) audits for nonresidential customers. The majority of audits are provided to

small and very small commercial (non-industrial SICs) customers by SoCalGas technicians. Many commercial audits are provided to restaurant and laundry customers given those customers' high use of natural gas for cooking, water heating, and drying.

Update/Current Activities/Market Progress:

- First quarter funding was primarily limited to labor expenses for program staff, although a small portion of funding (~15%) was provided for third party audit activities.
- 73 Commercial walk-through audits were conducted.

Industrial Energy Management Services Program

Description:

The Industrial Energy Management Services program provides walk-though and third party (i.e., Super) audits for nonresidential customers falling under SIC 20-39. The majority of audits are provided to small and medium sized industrial customers by SoCalGas account executives. More comprehensive audits, performed by engineering consultants, are employed when detailed industrial process expertise is required.

Update/Current Activities/Market Progress:

- First quarter funding was limited to labor expenses for program staff.
- One Industrial Super audit was conducted.
- 35 Industrial walk-through audits were conducted.

Energy Edge Program Element

Description:

The Energy Edge program provides services customers need to undertake and complete energy efficiency retrofit projects. Energy Edge provides for a comprehensive, fuel-neutral evaluation of energy efficiency options available to customers considering extensive retrofit projects. Services are provided by third parties. Customers share the cost of the service with SoCalGas. The Energy Edge program increases the specification of equipment that exceeds Title 24 in those cases covered by existing standards, and increases the specification of equipment that exceeds efficiency levels used in current practice for those cases not covered by existing standards. Government agencies, particularly in municipal utility service territories are particularly interested in this program although their funding cycles are long and demand a very patient marketing approach.

Update/Current Activities/Market Progress:

- Limited first quarter funding was sufficient to maintain existing labor level. Program activity will intensify during Q2-Q4 as additional funds are made available from the Nonresidential Audit program.

Nonresidential Upstream Programs

No nonresidential upstream programs were funded during the first quarter of 2002.

IV. New Construction Programs

SoCalGas had three new construction programs for program year 2001. The New Energy Advantage Home program, the Statewide Savings By Design and the Statewide New Construction Codes and Standards program.

Residential New Construction Programs

The New Energy Advantage Home program is the sole SoCalGas residential new construction energy efficiency program effort.

New Energy Advantage Home Program

Description:
This program focused on promoting the installation of high performance duct systems in new single-family homes. It involved direct incentives to builders whose duct systems could meet pre-specified leakage standards and training for HVAC installers/builders on high efficiency duct design and installation procedures.

Update/Current Activities/Market Progress:

- For PY2001, more than 13,000 duct systems were tested. Incentive payments were halted at the beginning of the first quarter of 2002. Available funding was used to pay ongoing program costs, including labor. No customer incentives were paid in this quarter.
- Builder training classes on ACCA Manual J and Manual D were continued during the first quarter of 2002 - two High Performance Duct classes, two Manual J classes, and two Manual D classes were held.

Commercial New Construction Programs

SoCalGas' PY2001 Commercial New Construction program consists of the Statewide Savings By Design program and the Statewide New Construction Codes & Standards Support program.

Statewide Savings By Design Program

Description:
The objectives of Savings By Design are to: 1) Increase the number of projects that are designed to exceed, by at least 10%, state energy standards. This is accomplished by changing the practices of design professionals through the use of integrated design techniques. 2) Increase the number of building owners, developers, and lenders that require and support design and construction decisions that include analysis of financial benefits resulting from energy efficiency, including life cycle cost considerations. 3) Promote increased use of energy efficient materials, equipment, and systems in the small, medium, and large sectors of the commercial new construction market.

Update/Current Activities/Market Progress:

- While the total program incentive commitments in 2001 totaled $674,000 in owner and design team incentives with 4,511,412 kWh and 459,429 therms in energy savings from committed projects, first quarter 2002 activities were limited to preliminary outreach efforts and ongoing project monitoring. Available funding for the first quarter was only sufficient to pay for labor costs. No customer incentives were paid in this quarter.

Statewide New Construction Codes and Standards Support Element

Description:

The New Construction Codes and Standards Support element is a statewide effort bringing together the utility administrators, CEC, and other interested parties in discussions regarding the next level of residential and commercial building standards.

Update/Current Activities/Market Progress:

- Available funding was very minimal for this program effort. A small portion was used to pay for non-labor expenses associated with this ongoing effort.

V. Cross-Cutting/Statewide Programs

SoCalGas Specific Cross-Cutting

Emerging Technologies

Description:

SoCalGas' Emerging Technologies (i.e., Select Technologies) budget is allocated across a number of programs and program elements. Funding is spread across the following programs: Residential Heating and Cooling, Residential Appliances, Small Nonresidential Comprehensive Retrofit, Nonresidential HVAC Turnover, and Nonresidential Process Overhaul. Most of the elements within those programs can receive Select Technologies funding. Spending is determined by the availability of promising opportunities for Select Technologies funding. A host of technologies, spanning all of the major residential and nonresidential end uses, are monitored by SoCalGas staff. Technologies that have passed through the research and development stages of the RD&D cycle are considered for commercialization support as part of SoCalGas' emerging technology efforts. Where appropriate, these can then become candidates for inclusion in general energy efficiency program elements.

Update/Current Activities/Market Progress:

- Advanced infrared burners, microturbine generating systems with heat recovery, and new gas cooling systems continued to be the technologies SoCalGas focused upon although available funding was greatly reduced and was limited to labor expenditures. No customer incentives were paid in this quarter, but continued monitoring of ongoing demonstration projects occurred.

Statewide/Cross-Cutting

In Decision (D.) 01-11-066, Ordering Paragraph 9, dated November 29, 2001, the Commission authorized the continuation of Program Year (PY) 2001 programs to avoid a program funding gap during the early part of 2002 prior to the Commission's authorization of new programs for 2002. The four investor-owned utilities (IOUs) were also authorized to commit and/or spend these funds only until March 31, 2002.

The following incentive programs were continued into the first quarter of 2002: Residential Energy Efficiency Contractor, Express Efficiency, and Savings By Design.

Residential

Statewide Residential Energy Guide

Description of program and program element/strategy:
The Residential Energy Guide was developed to provide statewide consistency on energy efficiency information and awareness of appliance practices to residential customers. In 2001, Pacific Gas and Electric Company (PG&E), Southern California Edison (SCE), SoCalGas, and San Diego Gas & Electric Company (SDG&E) jointly participated in a coordinated effort to distribute Energy Guides to residential customers through a variety of delivery channels. In an effort to streamline the process and in response to customer demand for energy efficiency information, third and fourth quarter efforts targeted the distribution of a utility-specific quick tip reference sheet which provided customers with long and short-term solutions for energy savings.

Market participants and/or end uses:
Participants: Residential customers.
End Uses: All residential end uses are targeted.

Accomplishments/milestones/market effects observed to date:
The Energy Guides were provided to interested customers.

Statewide Residential Appliance Program

Description of program and program element/strategy:
The Statewide program promotes energy efficient appliances that reduce energy and peak demand, with the primary focus being to promote ENERGY STAR® labeled appliances. Through statewide coordination efforts, PG&E, SCE, SoCalGas and SDG&E continue to coordinate efforts to promote market recognition of energy efficient appliances.

Market participants and/or end uses:
Participants: Residential customers, retailers and manufacturers.
End Uses: ENERGY STAR® qualified appliances.

Accomplishments/milestones/market effects observed to date:
No statewide activity in the first quarter. See SoCalGas write-up for utility-specific activity.

Residential Energy Efficiency Contractor program (RCP)

Description of program and program element/strategy:

- The program has two distinct elements: the Multifamily and Single-family Elements:
- The Multifamily Element applies to:
  - apartment dwelling units,
  - common areas of apartments and condominium complexes, and
  - common areas of mobile home parks.
- The Single Family Element applies to:
  - single family homes,
  - condominium dwelling units,
  - small attached apartments with up to four dwelling units (e.g., duplexes, triplexes, and fourplexes), and
  - mobile homes.

Market participants and/or end uses:

Participants: Residential customers.
End Uses: Various residential applications.

Accomplishments/milestones/market effects observed to date:

In the first quarter, all IOUs offered RCP incentives to their customers.

Nonresidential

Express Efficiency Program

Description of program and program element/strategy:

- Provides standard rebates to customers, contractors, and EESPs for installation of energy efficient equipment.
- The program targets small and medium nonresidential customers.
- Statewide program, with differences to reflect different service territory needs.
- Incentive cap of $25,000 per account and $2 million per corporate parent statewide.

Market participants and/or end uses:

Participants: Small and medium commercial, industrial, and agricultural customers (equal to or less than 500 KW or 250,000 annual therms).
End Uses: Heating, ventilation, air-conditioning, refrigeration, lighting, water heating, and other building-type-specific end uses, including agricultural.

Accomplishments/milestones/market effects observed to date:

In the first quarter, all IOUs offered Express Efficiency rebates to their customers.

Statewide Business Energy Guide

Description of program and program element/strategy:

- Statewide energy guide provides energy information and education to customers to better manage their business energy costs.

- Provides energy information for office buildings, grocery stores, restaurants, retail outlets and manufacturing facilities.
- Brochure currently available in English, Spanish and Chinese.
- Target markets include commercial businesses, business trade/vendor shows, Small Business Associations, Chambers of Commerce, building permit and government offices and business on-site surveys conducted by utility representatives.

Market participants and/or end uses:
Participants: Small and medium commercial, industrial, and agricultural customers (equal to or less than 500 KW or 250,000 annual therms).
End Uses: Heating, ventilation, air-conditioning, lighting, water heating, and other building-type-specific end uses.

Accomplishments/milestones/market effects observed to date:
The Business Guides were provided to interested customers.

Emerging Technologies

Description of program and program element/strategy:
- Emerging Technologies activities focus on demonstrating energy efficiency options not widely adopted by various market actors.
- Program makes detailed designs of efficiency options and their performance information widely available.
- The Emerging Technologies Coordinating Council (ETCC) was established to seek opportunities to coordinate efforts between each of the utilities emerging technologies programs as well as the CEC's PIER program.

Market participants and/or end uses:
Participants: All customers .
End Uses: Heating, ventilation, air-conditioning, lighting, water heating, and other building-type-specific end uses.

Accomplishments/milestones/market effects observed to date:
The utilities continued to work on emerging technology projects in their service areas.

Energy Centers

Description of program and program element/strategy:
- Three of the state's investor owned utilities, PG&E, SCE, and SoCalGas operate Energy Centers. Unified by the common goal of educating their customers about energy-efficient business solutions, the utilities' jointly developed plans to increase cooperation among the utility energy centers. This plan addressed three potential areas for working together collaboratively to build on a statewide program. These are: seminar/program coordination; a web-based energy efficiency library; and a partnership program with independent third parties and/or state agencies.
- Energy Centers use training, outreach, education, and tool development to support delivery of statewide programs. Energy Centers are uniquely suited to address peak

demand reduction and promote energy savings directly by offering programs designed specifically for that purpose.

Market participants and/or end uses:
Participants: All customers.
End Uses: All end uses.

Accomplishments/milestones/market effects observed to date:

- **Seminar/Program Coordination**: The utilities continue to coordinate seminars as appropriate. The centers recognize that, through regional collaboration, the opportunity exists to develop a more comprehensive set of energy efficiency conferences/seminars that would reflect the expertise and experience from a diverse group of contributors statewide. The following is a list of classes held through the first quarter of 2002:
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CLASS	Location	Date
Lighting and Daylighting for Architects and Designers	SCE CTAC	01/29/02
Design Strategies for High Performance Glass	SCE CTAC	02/06/02
Lighting Fundamentals	PG&E PEC	02/26/02
Role Of Mechanical Engineers in Green Buildings	PG&E PEC	03/05/02
Res. T-24: Duct Installation Stds.	PG&E PEC	03/07/02
Res. T-24: Stds. For Res. Construction	PG&E PEC	03/12/02
The Glass Class for Commercial Buildings	PG&E PEC	03/14/02
High Performance Schools	PG&E PEC	03/15/02
Building Energy Audits	PG&E PEC	03/19/02
Res. T-24: Equipment Sizing and Selection	PG&E PEC	03/21/02
Res. T-24: Duct Design	PG&E PEC	03/22/02

While SoCalGas did not offer any of the joint curricula seminars in the first quarter, numerous other energy efficiency seminars were conducted and are discussed in other sections of the report.

- **Web-Based Energy Efficiency Library**: The Energy Centers envisioned this as a centralized and comprehensive online information library that could serve as an electronic information hub on all aspects of energy efficiency. Through a collaborative effort, an independent contractor was hired to construct a site named "energyefficiencycenter.com." The site, which was implemented on April 17, 2000, provides users with links to the energy centers as well as links to a number of associations, organizations, and government agencies where information on energy efficiency can be found. Further enhancements to the site were put on hold pending decisions regarding a more comprehensive statewide web site for EE activity and information.
- **Partnership Program with Third Parties and/or State Agencies**: Each center has used their local relationships to develop partnerships to enhance their local offerings.

New Construction

Savings By Design (SBD)

Description of program and program element/strategy:

- A statewide program implemented by PG&E, SCE, SoCalGas, and SDG&E that encourages high performance commercial building design and construction.
- Seeks to permanently reduce the transaction costs associated with developing and evaluating energy efficient design alternatives.
- Seeks to improve the comfort, efficiency, and performance of buildings by promoting an integrated team approach to design.
- The Nonresidential Retrofit and Renovation program is also covered under the SBD program although implementation may differ by utility.

Market participants and/or end uses:

Participants: Primary decision-makers in new construction and major renovation and remodeling projects. Program components address building owners, architects, engineers, contractors, builders, developers, energy consultants, and facilities personnel in all non-residential new construction projects. Equipment manufacturers and vendors will also be influenced as primary market actors increase demand for high efficiency building components. School districts will be specifically targeted as a hard-to-reach market for PY2001. For the purposes of this program element, eligible projects are defined as facilities where the building is still in the design stage of the project and include:

- "ground-up" facilities that are being newly constructed in utility's territory ,
- permanent facility additions that add square footage to an existing structure,
- "gut-rehabilitation" of appropriate nonresidential facilities within the utility's service territory,
- first-time and broad-scope tenant improvements to facilities involved with a change of tenant or occupancy,
- facility remodels involving replacement of at least half of one or more building energy systems.

End Uses: All energy-consuming systems supporting or housed within a new facility.

Accomplishments/milestones/market effects observed to date:

- For the first quarter of 2002, SBD continued to operate under PY2001 program rules inclusive of Title 24 changes mandated under AB 970 and taking into account mandated year-end HVAC efficiency increase.
- SBD continued support in the first quarter of 2002 of American Institute of Architects, California Council (AIA) efforts to promote statewide energy efficient integrated building design. SBD among all utilities is continuing sponsorship of AIA and working with the California Council to sponsor SBD Energy Integration Awards for 2002 as well as providing primary support for the AIA Desert Practice Conference and the Monterey Design Conference.
- Accomplishments for Nonresidential Statewide and Crosscutting PY2001 programs extended into the first quarter of 2002 can be found in the nonresidential new construction programs section in each of the utilities' quarterly reports.

Energy Design Resources Program (EDR)

Description of program and program element/strategy:

- Provides an integrated package of design tools and information resources that promote the design and construction of high-performance buildings.
- Utilizes a website to offer additional interactive resources and provide downloadable tools.
- Complements the integrated design strategies of the Savings By Design program and generates project leads for the SBD program.
- Provides validation of and peer recognition for designers and developers of exemplary projects that successfully incorporate principles of energy efficient design.

Market participants and/or end uses:

Participants: The program targets two primary market actor groups within the new construction industry:

- Designers (architects, engineers, lighting designers, energy consultants) and developers, including students of these disciplines, who establish the characteristics of new building projects through design and construction.
- Decision-makers who set the programmatic requirements for new building projects and can create a demand for energy efficiency facilities and design expertise.

End Uses: All energy-consuming systems supporting or housed within a new facility.

Accomplishments/milestones/market effects observed to date:

- Finalized the EDR web site online learning courses for such topics as lighting, controls, luminaires, and other new technologies.
- Completed production of the second edition of the EDR binder (EDR II) for first quarter 2002 availability. The binder includes 14 new Design Briefs, an in-depth integrated design case study, a Building Commissioning Manual, and an international daylighting research report.
- Accomplishments for Nonresidential Statewide and Crosscutting PY2001 programs extended into the first quarter of 2002 can be found in the nonresidential programs section in each of the utilities' quarterly reports.

Codes & Standards Program

Description of program and program element/strategy:

- Codes and Standards works to bring about upgrades in standards and codes, thereby capturing the benefits for society from California's diverse energy efficiency market transformation efforts.
- Codes and Standards Enhancement (C.A.S.E.) initiative for improvements are developed for promising design practices and technologies and then presented to standards and code-setting bodies in a coordinated manner.

Market participants and/or end uses:

Participants:

- Code-setting bodies such as the California Energy Commission, the US Department of Energy, and the Federal Trade Commission.

- Standards-setting, rating-setting, and research support organizations including: the American Society of Heating and Refrigerating and Air Conditioning Engineers, the Illuminating Engineering Society, the National Fenestration Rating Council, the Cool Roof Rating Council, the Institute of Transportation Engineers, the U.S. Green Building Council, and the California Institute for Energy Efficiency.
- Stakeholders to specific code enhancements including the California Building Industry Association, Building Owners and Managers Association, manufacturing associations, and other industry groups and individuals.
- Code enforcers and enforcement organizations, such as California Building Officials, and managers of energy efficiency programs.

Accomplishments/milestones/market effects observed to date:

- Participated in Title 20 appliance standards workshops, and provided support for the permanent adoption of new standards in February 2002.
- Continued developing C.A.S.E. studies in support of the current rulemaking on 2005 residential and nonresidential building standards.
- Continued developing C.A.S.E. studies in preparation for the next appliance standards rulemaking.
- Participated in meetings and workshops in support of enhancements to the current rulemaking on residential and nonresidential building standards for 2005 buildings standards. Workshops topics included proposals for various code enhancements and time dependent valuation, a new basis for valuing energy that favors peak-reducing technologies.
- Utilities also participated in the CEC's outdoor lighting rulemaking, supported energy efficient self-illuminated signs, and supported the CEC's tight duct rulemaking and the successful defense of AB 970 2001 tight duct standard.
- Accomplishments for Statewide and Crosscutting PY2001 programs extended into the first quarter of 2002 can be found in the new construction programs section in each of the utilities' quarterly reports.

VI. Tables

The following tables provide:

- SoCalGas' budget for First Quarter 2002 and expenditures and commitments through March 31, 2002. (Table 6.1)
- Estimates of energy savings from First Quarter 2002 program activities. (Table 6.2)
- A summary of Statewide program budgets and expenditures through March 31, 2002. (Table 6.3)
- A summary of Statewide program energy savings for First Quarter 2002 program activities. (Table 6.4)

The First Quarter 2002 budget meets the Commission requirement that the authorized funds be spent in the program area specified and not shifted among program areas. It also complies with the requirement that the funds only be spent on existing PY2001 programs as authorized in D.01-01-060.

Table 6.1 -- SoCalGas Q1/02 Expenditure Status ($000s)

Segment/Category/Program	2001 Recorded	2002 Budget	Q1/02 Expend.	Q1/02 Commit.	Q1/02 Total	Total % of Adjust.
Residential	**7,857**	**628**	**643**	**0**	**643**	**102%**
Information	***150***	***346***	***447***	***0***	***447***	***129%***
Energy Facts	22	156	129		129	83%
Statewide Energy Guide	128	7	11		11	157%
Energy Resource Center		183	307		307	168%
Energy Efficiency Incentives	***6007***	***123***	***73***	***0***	***73***	***59%***
Residential Contractor Program	5457	123	73		73	59%
Third Party Programs	550				0	
Energy Management Services	***600***	***22***	***28***	***0***	***28***	***127%***
Home Energy Fitness	600	22	28		28	127%
Upstream	***1100***	***137***	***95***	***0***	***95***	***69%***
Res. Upstream Gas AC	381	11	7		7	64%
Third Party Programs	693				0	
Emerging Technologies	26	126	88		88	70%
Nonresidential	**13,502**	**1,196**	**1,193**	**0**	**1,193**	**100%**
Information	***3,957***	***269***	***285***	***0***	***285***	***106%***
Nonresidential Information	1,270	139	260		260	187%
Third Party Programs	1,208				0	
Energy Resource Center	1,479	130	25		25	19%
Energy Efficiency Incentives	***5,158***	***490***	***417***	***0***	***417***	***85%***
Commercial Equip. Replacement	1,912	208	266		266	128%
Industrial Energy Eff. Incentives	2,543	119	126		126	106%
Statewide Program Express	703	163	25		25	15%
Energy Management Services	***2,865***	***437***	***491***	***0***	***491***	***112%***
Commercial EMS	1,913	299	324		324	108%
Industrial EMS	377	29	30		30	103%
Energy Edge	575	109	137		137	126%
Upstream	***1522***	***0***	***0***	***0***	***0***	
Select Technologies	1014				0	
Nonresidential Upstream Gas AC	508				0	
New Construction	**7,448**	**541**	**248**	**288**	**536**	**99%**
Residential	***5,739***	***456***	***138***	***288***	***426***	***93%***
Energy Advantage Home	5,739	456	138	288	426	93%
Nonresidential	***1709***	***85***	***110***	***0***	***110***	***129%***
Statewide Savings By Design	1089	70	109		109	156%
Codes & Stds and Local Govt. Initiatives	620	15	1		1	7%
TOTAL PROGRAM	**28,807**	**2,365**	**2,084**	**288**	**2,372**	**100%**
Public Education OutreachCampaign	***1,030***				***0***	
Market Assessment and Evaluation	***2481***	***335***	***252***	***66***	***318***	***95%***
Market Assessment & Evaluation	387	55	5		5	9%
Regulatory Compliance & Reporting	1800	280	247	66	313	112%
CEC Data Collection	294				0	
TOTAL BUDGET	**32,521**	**2,700**	**2,336**	**354**	**2,690**	**100%**

Notes:

MA&E and Regulatory Compliance expenditures are categorized under Residential for budgeting purposes.

Table 6.2 -- SoCalGas Q1/02 Energy Reductions

Segment/Category/Program	Energy (MWh)	Demand (MW)	Gas (Mtherms)
Residential	**0**	**0**	**0**
Information	***0***	***0***	***0***
Energy Facts			
Statewide Energy Guide			
Energy Resource Center			
Energy Efficiency Incentives	***0***	***0***	***0***
Residential Contractor Program			
Energy Management Services	***0***	***0***	***0***
Home Energy Fitness			
Upstream	***0***	***0***	***0***
Res. Upstream Gas AC			
Emerging Technologies			
Nonresidential	**0**	**0**	**14**
Information	***0***	***0***	***0***
Nonresidential Information			
Energy Resource Center			
Energy Efficiency Incentives	***0***	***0***	***14***
Commercial Equip. Replacement			
Industrial Energy Eff. Incentives			
Statewide Program Express			14
Energy Management Services	***0***	***0***	***0***
Commercial EMS			
Industrial EMS			
Energy Edge			
New Construction	**0**	**0**	**0**
Residential	***0***	***0***	***0***
Energy Advantage Home			
Nonresidential	***0***	***0***	***0***
Statewide Savings By Design			
Codes & Stds and Local Govt. Initiatives			
TOTAL PROGRAM	**0**	**0**	**14**

Notes:

Savings associated with SBX1 5 funding have not been included.

TABLE 6.3
STATEWIDE AND CROSSCUTTING PROGRAM BUDGET AND EXPENDITURE - YTD
PY 2002
($ millions)

Program	PG&E				SoCal Gas				SoCal Edison				SDG&E				Statewide Total			
	1st Quarter Budget	Actual	Commitments	Total	1st Quarter Budget	Actual	Commitments	Total	1st Quarter Budget	Actual	Commitments	Total	1st Quarter Budget	Actual	Commitments	Total	1st Quarter Budget	Actual	Commitments	Total
Single Family Rebate [3]	-	-	-	-	0.12	0.16	-	0.16	-	-	-	-	0.47	0.41	0.04	0.46	0.59	0.57	0.04	0.62
Multi-Family Rebate [4]	-	-	-	-	-	-	-	-	0.09	0.03	0.06	0.09	0.42	0.36	0.06	0.43	0.51	0.40	0.12	0.52
Upstream Lighting Program	-	-	-	-	-	-	-	-	0.06	0.03	0.02	0.06	0.25	0.25	-	0.25	0.31	0.29	0.02	0.31
Upstream Appliance Program	-	-	-	-	-	-	-	-	0.01	0.01	-	0.01	-	0.00	-	0.00	0.01	0.01	-	0.01
Statewide Residential Energy Guide	-	-	-	-	0.01	0.01	-	0.01	0.05	0.01	0.04	0.05	-	0.00	-	0.00	0.06	0.02	0.04	0.06
Large SPC Program	0.80	0.04	1.06	1.10	-	-	-	-	1.41	0.28	1.14	1.41	0.23	0.04	0.20	0.24	2.44	0.36	2.39	2.75
Small SPC Program	-	-	-	-	-	-	-	-	0.24	0.02	0.22	0.24	0.22	0.04	0.18	0.22	0.45	0.06	0.39	0.45
Express Efficiency Program [1]	2.70	0.31	1.50	1.80	0.16	0.03	-	0.03	0.66	0.17	0.49	0.66	0.20	0.16	0.15	0.31	3.72	0.65	2.13	2.79
Statewide Business Energy Guide	-	-	-	-	-	-	-	-	0.01	0.01	(0.00)	0.01	-	-	-	-	0.01	0.01	(0.00)	0.01
Savings By Design Program [2]	1.34	0.46	1.13	1.59	0.07	0.08	-	0.08	1.05	0.20	0.85	1.05	0.46	0.16	0.26	0.42	2.92	0.90	2.24	3.14
Energy Design Resources Program	0.43	0.38	0.05	0.43	-	-	-	-	0.03	0.01	0.02	0.03	0.04	0.05	-	0.05	0.50	0.44	0.07	0.51
Codes and Standards Support Effort	0.06	0.05	0.01	0.05	-	-	-	-	0.41	-	0.41	0.41	0.01	0.01	-	0.01	0.48	0.05	0.42	0.47
Emerging Technologies	0.05	0.01	0.06	0.07	0.13	0.09	-	0.09	0.10	0.04	0.06	0.10	-	(0.00)	-	(0.00)	0.28	0.13	0.12	0.26
Energy Centers	0.52	1.20	-	1.20	0.31	0.33	-	0.33	0.49	0.46	0.03	0.49	-	-	-	-	1.32	1.99	0.03	2.03
Statewide Program Total	**5.90**	**2.44**	**3.80**	**6.24**	**0.80**	**0.69**	**-**	**0.69**	**4.61**	**1.26**	**3.35**	**4.61**	**2.30**	**1.49**	**0.89**	**2.38**	**13.61**	**5.88**	**8.04**	**13.92**

[1] PG&E Express Efficiency is downstream only
[2] PG&E and SDG&E Savings By Design includes only the New Construction Savings By Design
[3] Budget for SDG&E Residential Contractor Program Single Family (RCPSF) also includes the savings for the Single Family Rebate
[4] Budget for SDG&E Residential Contractor Program Multifamily (RCPMF) also includes the Small Complex Self-Sponsorship/ SCSSP and Lighting and Appliance Replacement

TABLE 6.4
STATEWIDE AND CROSS-CUTTING PROGRAM ENERGY AND DEMAND REDUCTIONS - YTD
PY 2002

Program	PG&E			SoCal Gas			SoCal Edison			SDG&E			Statewide Total		
	Energy MWh	Demand MW	Gas Therms	Energy MWh	Demand MW	Gas Therms	Energy MWh	Demand MW	Gas Therms	Energy MWh	Demand MW	Gas Therms	Energy MWh	Demand MW	Gas Therms
Single Family Rebate	-	-	-	-	-	-	-	-	-	82	0.08	14,575	82	0.08	14,575
Multi-Family Rebate	-	-	-	-	-	-	-	-	-	1,057	0.03	117,436	1,057	0.03	117,436
Upstream Lighting Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Upstream Appliance Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statewide Residential Energy Guide	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Large SPC Program	2,329	0.07	598,791	-	-	-	7,619	0.03	-	539	0.00	-	10,487	0.10	598,791
Small SPC Program	-	-	-	-	-	-	773	0.04	-	726	0.01	37,450	1,498	0.05	37,450
Express Efficiency Program	22,128	3.43	28,520	-	-	13,869	5,082	0.89	-	3,374	0.78	2	30,584	5.10	42,391
Statewide Business Energy Guide	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Savings By Design Program	5,619	2.28	44,975	-	-	-	11,100	1.70	-	980	0.45	2,436	17,700	4.44	47,411
Energy Design Resources Program	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Codes and Standards Support Effort	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Emerging Technologies	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Energy Centers	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Statewide Program Total	**30,075**	**5.78**	**672,286**	**-**	**-**	**13,869**	**24,575**	**2.67**	**-**	**6,757**	**1.37**	**171,899**	**61,407**	**9.81**	**858,054**

* SoCalGas Q1/02 savings for Single Family Rebate, Multi-Family Rebate, and Upstream Appliance programs not included since SBX1 5 dollars provided funding for those programs' rebates.

VII. Market Assessment and Evaluation

The Commission did not authorize any market assessment and evaluation funding in D.01-11-066. Therefore, no information is provided here.

VIII. Summer Initiative Program

SoCalGas' involvement with the Summer 2000 Energy Efficiency Initiatives was limited to its $4 million funding of the Hard to Reach program. As of December 31, 2001, $3.97 million had been paid to contractors under this program.

Hard to Reach Program

Description:

The program sought to achieve peak demand savings through the installation of energy efficiency measures at multi family apartment complexes, mobile home parks, and condominium complexes. The program offered incentives (deemed savings) for a wide variety of measures including: Energy Star lighting equipment, Energy Star refrigerators, Energy Star clothes washers, Energy Star dishwashers, HVAC equipment, thermal shell measures, water heaters, and water flow restrictors. The utilities administered the program while project sponsors identified and sold individual projects.

Update/Current Activities/Market Progress:

- Funding for SoCalGas' Summer Initiative program was exhausted in December 2001. Therefore, this program was not extended into 2002.
- In the initial applications, approximately 50% of the monies were targeted at the installation of high efficiency boilers and boiler controls, with the remaining monies targeted at weather-stripping, low-flow showerheads, water heater blankets, and building shell insulation. At the end of the first quarter of 2001, contractors had shifted their efforts away from high efficiency boilers and boiler controls toward measures with much lower energy savings potential. Door infiltration reduction measures (weatherstripping, door shoes, and thresholds) represent 66% of the total monies invoiced by year-end. Duct-testing and sealing efforts comprise 19% of invoiced efforts and account for the minimal electric savings achieved. Boilers and boiler controllers comprise 11% of invoiced efforts. Low-flow showerheads and faucet aerators account for the remaining 4% of invoiced efforts.
- Only 617 Mtherms and 513 MWh of annual savings have been achieved with this program effort. The savings are much lower than expected for this expenditure level. This was due to the increased focus on door weatherization efforts that yield modest energy savings at best.

IX. Compliance Issues

Summary

Decision (D.) 00-07-017 and subsequent Commission rulings set forth a number of compliance issues that SoCalGas is required to address as part of the quarterly reporting of energy efficiency activities. The following section addresses each of the Commission directives for which SoCalGas is directed to respond.

D. 00-07-017 – Quarterly Reporting Requirements

Ordering Paragraph 21:

For the RCP, the utilities shall establish a structured, periodic public process, such as workshops, meetings, and focus groups, to receive input and feedback from interested stakeholders, including third party providers and customers, a minimum of twice annually in each service territory. At least one public workshop shall be held in each service territory prior to filing the PY 2001 applications. They shall publicize and distribute proposed program changes prior to the information meetings, distribute adopted program changes to meeting participants and other interested stakeholders as they are made, and report on the process and results of the public forums in the Quarterly Reports. The public input sessions should be widely publicized.

Response:

In 2001, the Commission held a series of "all party" meetings to discuss the status of energy efficiency programs. These meeting were held on March 2, 2001, April 19, 2001, July 13, 2001, and August 15, 2001. At these public meetings, SoCalGas presented the status of RCP along with specific programmatic modifications to RCP for 2001. The RCP was offered in the first quarter of 2002 but incentive dollars were funded with SBX1 5 monies.

Ordering Paragraph 29:

The utilities shall report on the statewide lighting and appliance programs in each of the Quarterly Reports and, beginning in PY2001, shall endeavor, if feasible, to have the third party statewide contractor process rebate for Edison and SoCalGas.

Response: SoCalGas' report on the statewide appliance program is presented in the statewide section of this report. SoCalGas is employing a third party contractor to process rebates associated with this program

Ordering Paragraph 37:

In the residential area, the utilities shall offer targeted solicitations to increase provision of energy efficiency services to under-served communities and customer groups already known or identified and include new targeted efforts in the PY 2001 applications, fully explaining the nature of the solicitations and rationale for choosing these efforts. Progress should be reported in the Quarterly Reports.

Response:

Administrative funding limitations did not allow additional outreach to under-served communities and customer groups during the first quarter of 2002.

Ordering Paragraph 42:

The utilities shall continue efforts to design and implement program elements and intervention strategies to better serve the needs of smaller (small and medium) nonresidential customers and include a special progress report on these efforts as part of their PY 2000 and PY 2001 Quarterly Reports.

Response:
Administrative funding limitations did not allow additional outreach to under-served communities and customer groups during the first quarter of 2002.

Ordering Paragraph 50:
The utilities shall report funds spent and committed in the Quarterly Reports. The reports shall break out spent and committed funds and shall be provided by the fourteen programs as well as by strategy.

Response:
See 1st Quarter 2002 budget and expenditure tables within this report, particularly Table 6.1. Please note that spent and committed funds are provided per the most recent Reporting Requirements Manual categorizations (consistent with the PY2002 AEAP filing).

Ordering Paragraph 91:
The utilities shall file Quarterly Program and Expenditure Reports with the Energy Division and serve the Reports on the service list for this proceeding. The Reports shall be filed as soon as possible but no later than six (6) weeks after the close of each quarter and shall contain:

a. The information and data provided for PY 1999;

b. Participation activity, budgets, and expenditures, including commitments, for 1) the 14 programs and all elements and strategies thereunder; 2) all statewide programs, broken down by the 14 programs and all elements and strategies thereunder; and 3) all cross-cutting measures broken down by the 14 programs and all elements and strategies thereunder;

c. Expenditures shall be itemized, at minimum, to show what the money was spent on, e.g., vouchers redeemed, workshops and training, promotional activities;

d. Tables shall be provided showing expenditures by customer class code, as described earlier;

e. A status update on all programs, program activities, program elements, and statewide MA&E studies, an update on statewide coordination activities, an update on market progress, and an update on all actions the utilities have been directed to take in this decision; and

f. Joint summary tables showing the requested data for the statewide programs.

The utilities shall meet and confer prior to filing the Quarterly Reports and shall adopt a common format. After receipt of the Quarterly Reports, the Energy Division shall develop and conduct a public process for review of the Reports.

Response:
After discussion with the Energy Division on the content and format of the Quarterly Report and compliance with Ordering Paragraph 91, SoCalGas submits this Q1/2002 Report on energy efficiency programs.

Ruling On Cost Effectiveness Issues For PY 2001 Programs

Dated: October 25, 2000

Direction (pp.22-23):
The utilities should perform the saturation analysis as new data is obtained and, for all measures, at least annually, which should be reflected in the applicable Quarterly Reports and the Annual Report. The utilities should update the saturation data in each quarterly report and the Annual Report.

Response:
SoCalGas will certainly reflect any new saturation information in Quarterly Reports/ Annual Reports as they are due to be filed. However, SoCalGas does not have sufficient funds to perform annual saturation assessments for all measures. As stated in SoCalGas' response to OP54 (in Attachment I of SoCalGas' Program Year 2001 Energy Efficiency Application), "Saturation analyses by customer segment or sub-class involve the use of detailed and costly survey assessments. The scope of SoCalGas' energy efficiency programs is broad. To conduct annual saturation surveys for each measure/customer segment addressed by SoCalGas programs would easily exceed one-fifth of our entire energy efficiency budget."

No additional saturation studies were conducted during PY2001 or the first quarter of PY2002.

Ruling Of Assigned Commissioners And Administrative Law Judge On Summer 2000 Energy Efficiency Initiative

Dated: August 21, 2000

Direction (p.7):
Ordering Paragraph 13 - The utilities shall track and report on the progress of Summer Initiative programs in all reports to the Commission, including quarterly progress reports.

Response:
The progress of the single Summer Initiative effort SoCalGas administers is presented in the Summer Initiative Section contained within this report.

D. 01-11-066 - Interim Opinion Adopting Energy Efficiency Policy Rules

Dated November 29, 2001

Ordering Paragraph 9:
To avoid a program-funding gap during the early part of 2002 prior to Commission authorization of new programs for 2002, the IOUs shall continue their Program Year (PY) 2001 programs as set forth in the body of this decision. The IOUs are authorized to commit and/or spend these funds only until March 31, 2002.

Response:
SoCalGas continued PY2001 programs for the first quarter of 2002. The results of these programs are discussed in previous sections of this report.