October 19, 2015

Pacific Gas and Electric Company
Attn: Erik Jacobson, Director, Regulatory Relations
Senior Director, Regulatory Relations
77 Beale Street, Mail Code B10C
P.O. Box 770000
San Francisco, CA  94177

SUBJECT:   Request of Southern California Edison, Pacific Gas and Electric, San Diego Gas & Electric, and Southern California Gas to Increase the Incentive Levels for Food Service Measures Offered in the Statewide Commercial Energy Efficiency Program

Dear Ms. Allen:

Advice Letter 3623-G/4695-E is effective as of September 19, 2015.

Sincerely,

Edward Randolph
Director, Energy Division
August 20, 2015

ADVICE 3265-E
(Southern California Edison Company U 338 E)

Advice No. 3623-G/4695-E
(Pacific Gas and Electric Company U 39 M)

Advice No. 2777-E/2409-G
(San Diego Gas & Electric Company U 902 M)

Advice No. 4849
(Southern California Gas Company U 904 G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION


PURPOSE

Pursuant to Decision (D.)05-09-043, Southern California Edison Company (SCE), on behalf of itself, Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) (“Joint IOUs”) hereby submit this advice filing to propose increases in incentive levels for certain food service energy efficiency measures in the statewide Commercial Energy Efficiency Program.

SCE (only) seeks approval for the electric Griddle and Full Size Convection Oven as part of the statewide Commercial Energy Efficiency Program. All other IOUs filed, and received approval for an incentive increase for the electric and gas Griddle measures in January 2015.1

1 PG&E filed Advice 3538-G/4544-E; SDG&E filed Advice 2677-E/2341-G; and SoCalGas filed Advice 4723-G.
Additionally, SoCalGas seeks approval herein to increase the incentive level for its Process Heating Boiler measures as part of the statewide Commercial Energy Efficiency Program.

Several of the food service measures noted below are new measures for PG&E as approved in the PG&E Commercial Combo Oven – Electric and Gas workpaper (PGECOFST100) via the ex-ante process outlined in D.11-07-030.

BACKGROUND

On January 22, 2014, the California Public Utilities Commission's (Commission) Energy Division Director provided guidance in the Letter of Disposition to SCE’s Advice 2972-E, which states with respect to statewide programs: “D.05-09-043 does require an AL filing if the incentive change exceeds 50%.”

Pursuant to this direction, the Joint IOUs request changes in incentive levels that exceed this threshold for certain food service measures offered in the statewide Commercial Energy Efficiency Program (Deemed Incentives sub-program).

REQUEST FOR APPROVAL

The Joint IOUs regularly evaluate incentive levels and customer participation for more than 30 food service measures to determine how high efficiency equipment is best deployed in this sector. A review of statewide food service participation over the last five years helped to narrow the focus to certain measure categories with very low market uptake. The Joint IOUs then reached out to customers, dealers, chefs, and equipment representatives through site visits, equipment demonstrations at our test centers, and customer audits. Feedback obtained from these stakeholders that represent over 80 percent of relevant equipment sales in California identified cost as a significant barrier to program uptake in the evaluated measure categories.

New commercial food service appliances are being constructed with better controls, insulation, gaskets, double pane glass, and other features. These improvements have increased equipment energy efficiency, but have also increased the cost difference between a standard product and an energy efficient product known as incremental measure cost (IMC). This increase in price difference poses a barrier for customers in the food service sector wishing to upgrade their existing equipment. For example, efficient food service combination ovens typically cost $25,000-$35,000, plus an additional $1,000-$3,000 for shipping and installation. The Joint IOUs’ existing incentive of $750-$1,000 for the Combination Oven measures is inadequate to increase

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2 SCE notes that the Energy Efficiency Policy Manual Version 5 (July 2013), issued on August 23, 2013, incorporated, without reference to D.05-09-043, clarification from Assigned Commissioner Ruling dated December 22, 2011, stating: “Changes to incentive levels or modifications to program design (such as changes to customer eligibility requirements) will not trigger Energy Division or formal Commission review. Program administrators will notify the Commission of all incentive level changes that take place through the Program Implementation Plan Addendum process” (see Appendix D of the policy manual, p. 66).
participation in energy efficiency programs. The proposed incentive level increases are expected to help food service customers overcome cost barriers and realize energy savings by retrofitting or replacing their existing equipment.

Overall, the total resource cost (TRC) for the measures included in this advice letter will remain favorable after the proposed incentive increases are implemented. On average, the current TRC for these measures range from 1.6 to 4.5. Upon approval of the measure incentive changes, the TRC range will be from 1.5 to 4.2.

The Joint IOUs propose the following statewide incentive increases for the electric measures listed in Table 1 below. All available measure source codes are included in Appendix A.

### Table 1: Electric Measures

<table>
<thead>
<tr>
<th>#</th>
<th>Technology</th>
<th>Measure Description</th>
<th>Current Incentive</th>
<th>Proposed Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-SW</td>
<td>Control</td>
<td>Demand Control Kitchen Ventilation</td>
<td>$350</td>
<td>$700</td>
</tr>
<tr>
<td>2-SW</td>
<td>Fryer</td>
<td>Commercial Electric Fryer: Cooking Efficiency &gt; 80%</td>
<td>$200</td>
<td>$650</td>
</tr>
<tr>
<td>3-SW</td>
<td>Holding Cabinet</td>
<td>Full Size Holding Cabinet</td>
<td>$300</td>
<td>$750</td>
</tr>
<tr>
<td>4-SW</td>
<td>Oven</td>
<td>Cooking Eff ≥60% Comm Elc Combi &gt;28 Pans Oven</td>
<td>$1,000</td>
<td>$5,000</td>
</tr>
</tbody>
</table>

In addition, SDG&E and SoCalGas propose the following statewide incentive increases for the gas measures listed in Table 2 below. All available measure source codes are included in Appendix A.

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3 All proposed incentive levels are less than the IMC for each measure. IMC estimates are pulled from approved workpapers. Using climate zone six, which has the lowest statewide IMC, the Joint IOUs analyzed several scenarios for the new food service measures to determine the impact increased incentives would have on the associated TRC.

4 For PG&E, this is a new measure as approved in the PG&E Commercial Combination Oven – Electric and Gas workpaper (PGECOFST100); not a change to an existing measure.
Table 2: Gas Measures

<table>
<thead>
<tr>
<th>#</th>
<th>Technology</th>
<th>Measure Description</th>
<th>Current Incentive</th>
<th>Proposed Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-SDG&amp;E SCG5</td>
<td>Oven</td>
<td>Cooking Eff &gt;60% Comm Gas Combi 15 to 28 pans</td>
<td>$750</td>
<td>$1450</td>
</tr>
<tr>
<td>2-SDG&amp;E SCG6</td>
<td>Oven</td>
<td>Cooking Eff &gt;60% Comm Gas Combi &gt; 28 pans</td>
<td>$750</td>
<td>$2400</td>
</tr>
</tbody>
</table>

SCE (only) seeks approval for the following increases in Table 3 below. As noted above, all other IOUs filed and received approval for an increase in electric and gas Griddle incentives. SCE requests to increase its incentive level in order to align with the other IOUs. The remaining IOUs are experiencing strong participation for the Full-size Convection Oven measure at the current incentive level of $350 per unit. They will continue to do research as more qualified ovens become available in order to evaluate the program participation relative to the incentive levels and other market conditions.

Table 3: SCE Only Measures

<table>
<thead>
<tr>
<th>#</th>
<th>Technology</th>
<th>Measure Description</th>
<th>Current Incentive</th>
<th>Proposed Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-SCE</td>
<td>Griddle</td>
<td>Electric Griddle: Cooking efficiency &gt; 70% and idle rate ≤ 355 watts per ft²</td>
<td>$3007</td>
<td>$150/ft.8</td>
</tr>
<tr>
<td>2-SCE</td>
<td>Oven</td>
<td>≤ 5 Pans Full-Size Convection Oven</td>
<td>$350</td>
<td>$750</td>
</tr>
</tbody>
</table>

Lastly, in Table 4 below, SoCalGas (only) seeks approval to increase the incentive level for its Process Heating Boiler measure as part of the statewide Commercial Energy Efficiency Program. The IOUs are currently offering differing incentive rates for this measure; SoCalGas requests to increase its incentive rate in order to align with the incentive amount offered by PG&E.

Table 4: SoCalGas Only Measures

<table>
<thead>
<tr>
<th>#</th>
<th>Technology</th>
<th>Measure Description</th>
<th>Current Incentive</th>
<th>Proposed Incentive</th>
</tr>
</thead>
<tbody>
<tr>
<td>1-SCG</td>
<td>Boiler</td>
<td>Process Heating Boiler</td>
<td>$.75/MBtuh</td>
<td>$2.00/MBtuh</td>
</tr>
</tbody>
</table>

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5 For PG&E, these are new measures as approved in the PG&E Commerical Combination Oven – Electric and Gas workpaper (PGECOFST100); not a change to existing measures.
6 For PG&E, this is a new measures as approved in the PG&E Commerical Combination Oven – Electric and Gas workpaper (PGECOFST100); not a change to an existing measure.
7 Incentive paid per griddle.
8 Typically griddles do not exceed six feet, thus, incentives would typically be capped at $900 per griddle.
TIER DESIGNATION

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

EFFECTIVE DATE

This advice filing will become effective on September 19, 2015, which is 30 calendar days after the date filed.

NOTICE

Anyone wishing to protest this advice filing may do so by letter via United States Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be submitted to:

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

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

In addition, protests and all other correspondence regarding this advice letter should be sent by letter and transmitted via facsimile or electronically to the attention of:

For SCE:

Russell G. Worden
Managing Director, State Regulatory Operations
Southern California Edison Company
8631 Rush Street
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com
There are no restrictions on who may file a protest, but the protest must set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is serving copies of this advice filing 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) 302-3719. For changes to all other service lists, 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 filing and keeping the advice filing at SCE’s corporate headquarters. To view other SCE advice letters filed 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 Joni Key at (626) 302-5394 or by electronic mail at Joni.Key@sce.com.

Southern California Edison Company

/s/ Russell G. Worden
Russell G. Worden

RGW:jk:jm/cm
Enclosures
## Appendix A – Measure Source Codes

<table>
<thead>
<tr>
<th>Current Measure Description</th>
<th>Measure Source Codes</th>
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</thead>
<tbody>
<tr>
<td>Demand Control Kitchen Ventilation</td>
<td>SCE: FS-17337, PG&amp;E: F150, SDG&amp;E: 402032, SoCalGas: N/A</td>
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<tr>
<td>Commercial Electric Fryer: Cooking Efficiency &gt; 80%</td>
<td>SCE: FS-57892, PG&amp;E: F205, SDG&amp;E: 402004, SoCalGas: N/A</td>
</tr>
<tr>
<td>Full Size Holding Cabinet</td>
<td>SCE: FS-20224, PG&amp;E: F110, SDG&amp;E: 402001, SoCalGas: N/A</td>
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<tr>
<td>Cooking Eff ≥60% Comm Elc Combi &gt;28 Pans Oven</td>
<td>SCE: FS-20134, PG&amp;E: HA19, SDG&amp;E: TBD, SoCalGas: N/A</td>
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<tr>
<td>Cooking Eff &gt;60% Comm Gas Combi 15 to 28 pans</td>
<td>SCE: N/A, PG&amp;E: F101, SDG&amp;E: TBD, SoCalGas: 540247</td>
</tr>
<tr>
<td>Cooking Eff &gt;60% Comm Gas Combi &gt; 28 pans</td>
<td>SCE: N/A, PG&amp;E: HA49, SDG&amp;E: TBD, SoCalGas: 540248</td>
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<tr>
<td>Electric Griddle: Cooking efficiency ≥ 70% and idle rate ≤ 355 watts per ft</td>
<td>SCE: FS-61445, PG&amp;E: N/A, SDG&amp;E: N/A, SoCalGas: N/A</td>
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<td>≤ 5 Pans Full-Size Convection Oven</td>
<td>SCE: FS-59869, PG&amp;E: N/A, SDG&amp;E: N/A, SoCalGas: 530006, 530007, and 530009</td>
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<tr>
<td>Process Heating Boiler</td>
<td>SCE: N/A, PG&amp;E: N/A, SDG&amp;E: N/A, SoCalGas: 530006, 530007, and 530009</td>
</tr>
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</table>
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

Advice Letter (AL) #: 3265-E
Tier Designation: 2


Keywords (choose from CPUC listing): Energy Efficiency

AL filing type: ☑ One-Time

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

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: 09/19/15
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:

Service affected and changes proposed:

Pending advice letters that revise the same tariff sheets: None

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1 Discuss in AL if more space is needed.
All other correspondence regarding this AL, unless otherwise authorized by the Commission, shall be sent to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
EDTariffUnit@cpuc.ca.gov

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: AdviceTariffManager@sce.com

Michael R. Hoover  
Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5540  
E-mail: Karyn.Gansecki@sce.com
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<td>AT&amp;T</td>
<td>Don Pickett &amp; Associates, Inc.</td>
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<td>Downey &amp; Brand</td>
<td>Praxair</td>
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<td>Sempra Energy (SoCal Gas)</td>
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<td>ORA</td>
<td>YEP Energy</td>
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<td>Division of Ratepayer Advocates</td>
<td>Office of Ratepayer Advocates</td>
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