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May 4, 2023

Advice No. 6140
(Southern California Gas Company ID U 904 G)

Advice No. 4214-E/3191-G
(San Diego Gas and Electric Company ID 902 G)

Advice No. 4739-G/6930-E
(Pacific Gas and Electric Company ID U 39-M)

Advice No. 5027-E
(Southern California Edison Company ID U 338-E)

Public Utilities Commission of the State of California

Subject: Joint Authorization Request to Recover Infrastructure and Operation Costs Pursuant to Decision 23-02-002

Purpose

Pursuant to Ordering Paragraph (OP) 20 of Decision (D.) 23-02-002, (the Decision),Southern California Gas Company (SoCalGas), Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Edison Company (SCE), the Joint Investor Owned Utilities (Joint IOUs), hereby submit to the California Public Utilities Commission (Commission) this advice letter to seek cost recovery for both initial infrastructure and ongoing operational costs associated with the Decision's new data sharing requirements.

Background

OP 20 directs the Joint IOUs to submit individual or a joint Tier 2 Advice Letter to estimate and request authorization to recover one-time infrastructure costs and ongoing operational costs to enable data sharing with regional energy networks and third-party implementers and/or their authorized agents no later than 90 days after the issuance of the Decision.[1] The Decision was issued on February 3, 2023. Therefore, this advice letter is timely submitted.

[1] D.23-02-002 at 84.

The Decision adopted the following specific data sharing compliance requirements and guidelines.

Data fields must map directly to one or more of the following program functions:

- Customer targeting;
- Customer eligibility checks;
- Execution of the program for enrolled customers;
- Measurement and evaluation; and
- Eliminating participant double-dipping and/or double-counting of savings (when applicable).

The specific data required to be shared is limited to the following types:

- Customer identification, location (physical address), and premise-related, relevant data including but not limited to characteristics such as single-family/multi-family classification, whether the property has a pool, or installed solar;
- Customer energy usage and usage data related to the premise characteristics described above; and
- Customer program participation (when necessary for evaluating customer eligibility).[2]

Participant data should be provided at least monthly; non-participant data may be provided less frequently, but at least quarterly.[3]

Further, the Decision acknowledges the need to protect customer privacy and to maintain data security and conditions such access on users' attestation that the data will be used only for primary purpose use cases – in this context, energy efficiency program implementation and/or savings measurement – and the user (whether a REN or third-party implementer, or their authorized agent) meets minimum data security requirements of the IOU from which they are requesting data.[4]

Estimation of Costs and Justification

The estimated costs associated with building the required infrastructure and the ongoing operational costs for the Decision directed data sharing requirements vary by each IOU. Each IOU operates its own existing information technology systems, each with unique properties and features. Notably, D.13-09-025 required that the electric IOUs implement third-party data sharing features to share electric meter interval data; however, this requirement did not apply to SoCalGas.

Details for each IOU's proposed systems and justifications for its costs are attached to this advice letter as Appendices A - D. A summary of estimated infrastructure and ongoing costs through year 2027 is provided below in Table 1. Costs are only estimated through 2027, which aligns with the end of the first Portfolio Plan period of the pending EE Business Plans. Operational costs will continue beyond 2027 if the system remains in operation. Requests

[2] *Id.* at 63 – 64.
[3] *Id.* at 64.
[4] *Id.*

for funding beyond program year 2027 will be included in the 2026 Portfolio and Business Plan Application.[5]

Table 1 - Summary of Estimated Incremental Data-Sharing Costs to Implement OP 20
(costs in 000s)

IOU	Cost Category	2023	2024	2025	2026	2027	Row Total
PG&E	Infrastructure		$1,500	-	-	-	$1,500
	Operational	-		$580	$597	$615	$1,792
SDG&E	Infrastructure	-	$7,500	-	-	-	$7,500
	Operational	-	-	$400	$400	$400	$1,200
SCE	Infrastructure	$800	$2,400	-	-	-	$3,200
	Operational	$100	$150	$650	$665	$680	$2,245
SoCalGas	Infrastructure	-	$3,600	$2,450	-	-	$6,050
	Operational	-	$322	$722	$735	$749	$2,528

The cost estimates in Table 1 are intended to provide the Joint IOUs sufficient funds to enable data sharing in accordance with the requirements identified in the Decision. The Decision states that to "the extent an entity requests data at a greater frequency than provided by this decision, or beyond the scope of program functions or associated data types identified in this decision, and the IOU agrees to provide that additional data and/or greater frequency, the entity requesting the data will bear responsibility for such costs." [6]

Cost Effectiveness Considerations

The Commission ordered the IOUs to estimate the costs of the proposed data sharing systems ultimately to accommodate the Tri-County REN Motion Regarding Data Access,[7] which was supported by other RENs, including, MCE, CEDMC and Recurve. Subsequently, The Decision found that "without access to disaggregated data, RENs and third-party programs are not able to achieve energy savings or other identified program outcomes to the same extent or as effectively as programs that are able to leverage such data."[8] The costs requested herein are primarily for the benefit of RENs, along with other qualified EE program administrators and implementers.

Safely and securely providing this data to RENs in support of their portfolios comes at a significant cost, which the IOUs posit should not negatively impact IOU cost effectiveness showings. While the IOUs realize certain benefits associated with sharing data with third parties, because this system is provided to support REN portfolios and otherwise increase access to data for qualified third parties (other than the IOUs), the Joint IOUs propose that these data sharing costs be excluded from the IOU cost effectiveness tests.

[5] D. 21-05-031 at61 – 63, Table 4.
[6] D.23-02-002 at 64.
[7] Tri-County REN Motion filed on June 3, 2022; Subsequent ALJ Ruling Seeking Comment served on July 15, 2023.
[8] D.23-02-002 at 74.

Revenue Requirements / Rate Impacts

D. 23-02-002 did not include specific requirements or instructions for cost recovery. The estimated costs, project schedule, and proposed cost recovery mechanisms vary by IOU. Approval of this advice letter has the potential to affect rates, as detailed in the Appendices, attached hereto, for each IOU. This request is not expected to cause the withdrawal of service, or conflict with any rate schedule or rule.

Protests

Anyone may protest this Advice Letter to the Commission. The protest must state the grounds upon which it is based, including such items as financial and service impact, and should be submitted expeditiously. The protest must be submitted electronically and must be received within 20 days after the date of this Advice Letter, which is May 24, 2023. Protests should be submitted to the attention of the Energy Division Tariff Unit at:

E-mail: EDTariffUnit@cpuc.ca.gov

In addition, protests and all other correspondence regarding this Advice Letter should also be sent electronically to the attention of:

Gary Lenart
Regulatory Tariff Manager
Southern California Gas Company
E-mail: GLenart@socalgas.com, Tariffs@socalgas.com

Connor Flannigan
Managing Director, State Regulatory Operations
Southern California Edison Company
E-mail: AdviceTariffManager@sce.com

Tara S. Kaushik
Managing Director, Regulatory Relations
Southern California Edison Company
c/o Karyn Gansecki
E-mail: Karyn.Gansecki@sce.com

Attn: Greg Anderson
San Diego Gas and Electric Company
Regulatory Tariff Manager
E-mail: GAnderson@sdge.com

Sidney Bob Dietz II
Director, Regulatory Relations
Pacific Gas & Electric Company
c/o Megan Lawson
E-mail: PGETariffs@pge.com

Effective Date

This submittal is subject to Energy Division disposition and should be classified as Tier 2 (effective after staff approval) pursuant to General Order (GO) 96-B and OP 20 of D.23-02-002. Therefore, the Joint IOUs respectfully request that this submittal be approved and made effective June 3, 2023, which is 30 calendar days after the date submitted.

Notice

A copy of this Advice Letter is being sent to SoCalGas' General Order (GO) 96-B service list and the Commission's service list in R.13-11-005. Address change requests to the GO 96-B service list should be directed via e-mail to Tariffs@socalgas.com or call 213-244-2837. For changes to all other service lists, please contact the Commission's Process Office at 415-703-2021 or via e-mail at Process_office@cpuc.ca.gov.

/s/ Joseph Mock
Joseph Mock
Director – Regulatory Affairs

Attachments
Attachment A:
Appendix A – Pacific Gas and Electric Company
Appendix B – San Diego Gas and Electric Company
Appendix C – Southern California Edison Company
Appendix D – Southern California Gas Company

Attachment B:
Tariff Schedules

California Public Utilities Commission

ADVICE LETTER SUMMARY

ENERGY UTILITY

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

Company name/CPUC Utility No.:

Utility type:

☐ ELC ☐ GAS ☐ WATER

☐ PLC ☐ HEAT

Contact Person:
Phone #:
E-mail:
E-mail Disposition Notice to:

EXPLANATION OF UTILITY TYPE

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

(Date Submitted / Received Stamp by CPUC)

Advice Letter (AL) #:

Tier Designation:

Subject of AL:

Keywords (choose from CPUC listing):

AL Type: ☐ Monthly ☐ Quarterly ☐ Annual ☐ One-Time ☐ Other:

If AL submitted 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:

No. of tariff sheets:

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[1]:

Pending advice letters that revise the same tariff sheets:

[1]Discuss in AL if more space is needed.

Protests and all other correspondence regarding this AL are due no later than 20 days 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, CA 94102 Email: EDTariffUnit@cpuc.ca.gov	Name: Title: Utility Name: Address: City: State: Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx: Email:
	Name: Title: Utility Name: Address: City: State: Telephone (xxx) xxx-xxxx: Facsimile (xxx) xxx-xxxx: Email:

ATTACHMENT A

Advice No. 6140 et al

Appendix A – Pacific Gas and Electric Company
Appendix B – San Diego Gas and Electric Company
Appendix C – Southern California Edison Company
Appendix D – Southern California Gas Company

APPENDIX A

PG&E Data Sharing Infrastructure and On-going Cost Supporting Information

Contents

Executive Summary

This appendix is submitted in compliance with D.23-02-002 OP 20, which directs the IOUs to submit either an individual or a joint Tier 2 Advice Letter to estimate and request authorization to recover one-time infrastructure costs and ongoing operational costs to enable data sharing with regional energy networks and third-party implementers and/or their authorized agents no later than 90 days after the issuance of the Decision.[1] May 4, 2023 is 90 days after the Decision's issuance date of February 3, 2023.

PG&E's solution proposes to leverage its existing Share My Data (SMD) infrastructure in order to serve the data to the Regional Energy Networks (RENs) and/or their implementers. The SMD system already includes many of the data fields required and has an existing API for access. The majority of the work required by PG&E is (1) to add missing data points needed and (2) to establish an authorization system to enable the RENs to receive appropriate data for identified customers relevant to each program's needs.

PG&E also notes the cost of this system, which includes a total cost of $3.3M through 2027, in relation to the cost of manually fulfilling the data requests using current data systems in place, which would come to a cost of approximately $1.3M thru 2027. Below, PG&E discusses trade-offs between the automated system described in this appendix and a manual fulfillment option.

Data Sharing Platform Description

Platform Description

The Share My Data (SMD) Platform, with the exception of community choice aggregator (CCA) data access, is a customer-authorized application programming interface (API) data-access platform based on the Green Button & Energy Services Provider Interface (ESPI) standards that allows PG&E customers to share Revenue Quality Meter Data (RQMD) energy usage, billing data, and account information with authorized third parties. It offers electric interval & gas usage data, billing data and account information. Historic data is available, as is daily usage data on an ongoing, subscription basis. PG&E was authorized to build its SMD system in September 2013 in CPUC Decision 13-09-025.

As mentioned above, PG&E already leverages the SMD system to provide CCAs interval data, billing data, and account information for their customers. PG&E also has an ongoing development project in-house to provide internal third-party implementers access for customers participating in their programs using the SMD system. This project is scoped as an extension of the internal project that allows RENs access to appropriate data points for appropriate customers, for each different use case and program design.

Front-End Capabilities

Prior to being authorized as a user of the system, RENs and/or their implementers will need to complete PG&E's requirements for access, which may include, but are not limited to, a cybersecurity review, execution of a non-disclosure agreement, and SMD Open Authorization (OAuth) and data access verification. Data will be provided via the existing SMD API.

[1] D.23-02-002, *Decision Addressing Energy Efficiency Third-Party Processes and Other Issues.*

RENs or their implementers will be able to share enrolled/participant customers with PG&E via our Enterprise Secure File Transfer (ESFT) system. The format of these files will be a comma-separated list of service agreement identifiers (SAID), and PG&E will be able to intake up to 10,000 SAID values per file.

PG&E will assist in sampling non-participant customers as needed per a program's design, and in authorizing access to necessary data in the SMD system for service agreements tied to these customers. In certain cases of targeting data, eligibility data, or participant double-dipping, PG&E may elect to manually provide the data within the timelines required if the request is too complex for the SMD system to process.

While PG&E will not charge the RENs for access to the SMD API, the RENs or their implementers may encounter costs on their end to implement access to the SMD API. This may include needing technical staff that can implement and manage access and data flow, as well as software licensing for systems they use to access the API.

Back-Office Capabilities

PG&E staff will be able to review and manage authorizations for each REN, implementer, and program enrolled in data access. PG&E will have authorization end dates set based on program need and will end all outstanding authorizations at the end of the program.

Project Cost Estimate and Schedule

One-Time Infrastructure Estimate Methodology

One-time infrastructure costs were estimated by PG&E's information technology team as the labor costs needed to enhance PG&E's existing SMD system to allow for the necessary new functionality. These costs were estimated as $1.5 million, with development starting in 2024 Quarter 1 and ending in 2024 Quarter 4.

On-going Operation and Maintenance Estimate Methodology

Ongoing operations and maintenance (O&M) costs are estimated to include software licensing costs and standing personnel support for the system. The estimate for ongoing O&M support is $580 thousand per year. O&M costs are also escalated at 3 percent per year starting in 2026 to account for inflation.

Budget

The total budget required for this project in the 2023-2027 period is $3,292,000. Ongoing costs for program year 2028 onward can be estimated in PG&E's next business plan application, to be filed in early 2026; those estimates will be informed by actual costs during the 2024-2025 period.

Table 1 - **Summary of Estimated Incremental Data-Sharing Costs – Automated System** (costs in 000s)

Cost Category	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
One-Time Infrastructure		$1,500	-	-	-	$1,500
Ongoing Operational	-	-	$580	$597	$615	$1,792

2023 – 2027 Total	$3,292

PG&E has developed this proposal in compliance with D.23-02-002, ordering paragraph 20. If the Commission determines that these costs are not in the best interest of ratepayers, or that the costs RENs or their implementers will incur to implement access to the SMD API are too high, PG&E could—with incremental budget—continue to provide this data by having staff manually fulfill requests using existing data systems and PG&E's ESFT system. An estimate of the cost to manually fulfill these data provisions is shown in Table 2 below. These costs also include a 3 percent escalation rate.

Table 2 - **Summary of Estimated Data-Sharing Costs Manual Fulfillment** (costs in 000s)

Cost Category	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
Ongoing Operational	$250	$258	$265	$273	$281	$1,327
					2023 – 2027 Total	$1,327

PG&E provides both sets of costs (those for an automated system, and those for manual fulfillment) in the interest of transparency. Data provision through the automated system described above and in Table 1 would be faster and may be more convenient for the RENs; in addition, development of the automated system may be able to serve broader purposes than those identified to support RENs, including other customer programs beyond energy efficiency. An automated system would be more scalable should demands on the system increase in future years; in contrast, PG&E's ability to scale manual fulfillment while holding costs constant would be limited. At the same time, manual data provisions supported by incremental funding could accomplish the objective at a lower cost and could also mitigate the need for RENs or their implementers to incur internal operational costs to implement access to the SMD API.[2]

In the advice letter with which this appendix is filed, the IOUs propose excluding the cost of these data sharing systems from cost-effectiveness. If the Commission chooses to authorize the manual fulfillment option for PG&E, PG&E requests that the costs summarized in Table 2 be excluded from cost-effectiveness for the reasons outlined in the advice letter.

Cost Recovery

PG&E proposed in advice 4743-G/6918-E to use 2022 unspent & uncommitted funds to fund the one-time infrastructure costs. PG&E also proposes to assign budget in our 2024-2027 true-up advice letter, due in September 2023, to fund the ongoing O&M expenses from 2024-2027.

[2] As noted on p. 3, PG&E will not charge the RENs for access to the SMD API. However, RENs or their implementers may encounter costs on their end to implement access to the SMD API, including needing technical staff that can implement and manage access and data flow, as well as software licensing for systems they use to access the API.

APPENDIX B

SDG&E Data Sharing Infrastructure and On-going Cost Supporting Information

Contents

Background:

On February 3, 2023, the California Public Utilities Commission (Commission) issued Decision (D.) 23-02-002 (Decision), addressing Energy Efficiency Third-Party Processes and Other Issues. Ordering Paragraph (OP) 20 of the Decision directs the investor-owned utilities (IOU) to file an individual or joint Tier 2 Advice Letter to estimate and request authorization to recover one-time infrastructure costs and ongoing operational costs enabling data sharing with regional energy networks and third-party implementers. Appendix A provides details and supporting information for San Diego Gas & Electric Company's (SDG&E) cost recovery proposal.

Data Sharing Platform Description

Platform Description

- Data will be stored in a product and made readily available for third parties and Regional Energy Networks (RENs) to access through an Application Programming Interface (API). Each third party or REN will require secured access to this solution to access the following data types;
    - Customer identification, location (physical address), and premise-related, relevant data including but not limited to characteristics such as single-family/multi-family classification, whether the property has a pool, or installed solar;
    - Customer energy usage and usage data related to the premise characteristics described above; and
    - Customer program participation (when available/necessary for evaluating customer eligibility).

Front-End Capabilities

Description of features for REN/3P users, including REN/3P certification if applicable.
Features:

- Both gas and electric energy usage data will be available;
- Energy Efficiency program participation data will be available;
- System performance will be configured, so that all requests will process in less than 10 minutes;
- The data provided will be secure and appropriately masked/unmasked; and
- Third Parties will be able to access the data multiple times within the same day, at any given time.

Back-Office Capabilities

Third parties and RENS seeking customer data must comply with SDG&E's Privacy GreenLight policies and gain approval for the release of data. SDG&E's Privacy GreenLight assists Third Parties/REN's with requests for customer energy data that cannot be satisfied by public reports and helps ensure that authorized third parties are eligible to receive data, have a relevant business case for receiving data, and can protect customer data while in their possession.

Depending on the nature of the request, the third party may be required to undergo a cybersecurity review, sign a Terms of Service, and/or Non-Disclosure Agreement (NDA) or a contract prior to receiving data.

Features:

- For the initial data load into this solution, SDG&E will not produce data prior to April 2021, due to availability.
- After April 2026, up to 5-years' worth of data will be made available. Data beyond this will be archived or purged.
- The data will be updated either daily or weekly depending upon the field.
- Security filters will be in place to define data access levels based upon the specific Third Parties and REN.

Project Cost Estimate and Schedule

One-Time Implementation Estimate Methodology

SDG&E has estimated an initial cost of $7.5 million to build out the system needed for Data Sharing. For the implementation, SDG&E would leverage its standard IT project life cycle. This includes the following phases and activities:

Requirements: The requirements phase will develop detailed specifications to define and document the project needs. Both functional (business) and non-functional (technical) requirements will be thoroughly documented. This phase will also review the project risks and dependencies (such as the schedule of activities that need to be accomplished for subsequent activities to be started).

Design: The design phase will develop the program design and operating specifications, including architectural considerations for the software. The business processes will be analyzed at a more detailed level and functional specifications will be developed to determine how the system should be designed.

Construct/Build: The build phase will complete the steps necessary to build a product that meets the requirement specifications and system design specifications. The phase will also complete the deliverables necessary to prepare for testing the product and for training personnel to use and support the new program.

Testing: The test phase will test and verify the end-to-end (start-to-finish) functionality of the process. It also will verify that all requirements have been implemented and meet quality standards. Execution of test cases to ensure that each requirement is implemented, and each component is performing to specifications will be in scope for this phase. This phase will likely include required adjustments revealed by testing.

Implementation: The purpose of this phase is to complete the final preparation for the system launch. A final system parameter review will ensure the configured changes perform at intended levels.

Production Storm: In this phase, the system will be in live production and operation mode. The system will be actively monitored, and production problems will be triaged and addressed.

On-going Operation and Maintenance Estimate Methodology

As part of the Production Storm phase identified above, the projected on-going operations & maintenance (O&M) costs are estimated to be $400,000 annually to support the system once it has been implemented.

Budget

Table 1 - **Summary of Estimated Incremental Data-Sharing Costs** (costs in 000s)

Cost Category	**2024**	**2025**	**2026**	**2027***	**Total**
One-Time Infrastructure	$7,500	-	-	-	$7,500
Ongoing O&M	-	$400	$400	$400	$1,200
				2024 – 2027 Total	**$8,700**

*Cash expenditures are only estimated through 2027, which aligns with the end of the first Portfolio Plan period of the pending EE Business Plans. Requests for funding beyond PY2027 will be included in the 2026 Portfolio and Business Plan Application as applicable. Support and maintenance costs will continue indefinitely or until the lifecycle of this solution ends.

Cost Recovery

SDG&E is subject to accounting methods dictated by federal and state regulatory bodies and the applicability of Accounting Standards Codification 980, "Regulated Operations." The estimated one-time infrastructure direct costs of $7.5 million would be treated as a capital asset in accordance with US GAAP and SDG&E's internal capitalization policy. During the build-out of the Data Sharing Platform, the capital asset is subject to the impact of escalation, loaders, allowance for funds used during construction ("AFUDC"), or capitalized property tax. The associated revenue requirement for this capital asset consists of the capital costs as stated in Table 1 above, as well as SDG&E's return on investment, federal and state income taxes, property taxes, working cash, and franchise fees and uncollectibles ("FF&U").[1]

SDG&E proposes to use program year 2023 unspent & uncommitted funds to fund the net present value of the revenue requirement associated with the capital asset. Program year 2022 unspent & uncommitted funds are subject to Assembly Bill 841 establishing the School Energy Efficiency Stimulus Program per D.21-01-004.

SDG&E also proposes to fund the ongoing O&M expenses from 2024-2027 by including a budget in our 2024-2027 true-up advice letter, due in September 2023.

Lastly, SDG&E requests Commission direction to ensure a consistent approach among the IOUs.

[1] The revenue requirement components and the rate base calculations are computed based on the same standard, Commission-approved methodology used in the 2019 General Rate Case and other incremental applications.

APPENDIX C

Southern California Edison Company Data Sharing Infrastructure and On-going Cost Supporting Information

Contents

Executive Summary

In accordance with the Decision, SCE has developed a cost estimate to enable data sharing for RENs and third-party implementers and/or their authorized agents (Users) to have access to disaggregated data in order to successfully implement ratepayer-funded energy efficiency programs. Having access to individual non-participant meter data will be beneficial for program measurement and verification, as well as for targeting and eligibility determinations.[1] Access to this data is conditional on an attestation that the data will be used only for primary purpose use cases for energy efficiency program implementation and/or savings measurement.[2] In addition, the requestor must meet all the requirements set forth in the Decision (including, but not limited to, specific data field mapping requirements, current cyber security review, a non-disclosure agreement, secure data sharing capability, a current contract with statement of work that requires all confidential data to be received, etc.).[3]

These system/platform enhancements will give SCE the capability to share participant data at least monthly and non-participant data at least quarterly. SCE plans to launch the system in Q4 of 2024 contingent on Commission disposition approval of the AL consistent with SCE's proposed solution.

Data Sharing Platform Description

Platform Description

SCE's data sharing platform will have the following attributes and capabilities:

1. SCE will store the data in a cloud-based solution;
2. Data will be shared with third parties through an Application Programming Interface (API);
3. SCE will develop an enrollment process for third parties that will include a Cyber Review and determination of the data to be shared based on third parties needs and jurisdiction;
4. Authorization framework will be developed to ensure third parties can only access data based on enrollment parameters;
5. System performance will be configured, so that all requests will process in a timely manner, dependent on the size of the data set being requested;
6. The data provided will be secure and appropriately masked/unmasked;
7. The data will be updated either daily or weekly depending upon the field;
8. Up to 3-years' worth of data will be made available. Data beyond this will be archived or purged;
9. For the initial load, we will not provide data prior to CSRP Replatform (April 2021), due to availability; and
10. Multiple Users will be able to access the data multiple times within the same day.

Front-End Capabilities

In order to be authorized to use the system, the User will first have to meet SCE's access requirements. Users will be able to request data (based on the parameters setup) after the enrollment and

[1] D.23-02-002, p.63.
[2] D.23-02-002, p.64.
[3] D.23-02-002, OP 19 and pp. 62-65.

authentication process is completed which will include cyber security review and contracts (i.e. NDA, MSA), as needed. Users can utilize the API's to process their data request needs.

Back-Office Capabilities

SCE will configure the users and access permissions in the system based on the data requirements. Permission and access to the system will be assessed during the cyber security review and enrollment process and may vary by user. The system will restrict data sharing based on the parameters/permissions setup for each User.

Project Cost Estimate and Schedule

Initial Infrastructure Estimate Methodology

SCE expects that 2023 will be a ramp-up year which will primarily consist of variable costs for system deployment, including engineering, and analysis. 2024 will include the remaining system development and deployment of the solution.

The 2023-2027 forecast of $5.445 million for this project was developed using SCE's internal cost estimation model. This model utilizes industry best practices and SCE subject matter expertise to estimate project cost components. SCE's forecast for this project includes costs for SCE employees, supplemental workers, and consultants, software and vendor costs, and hardware cost to develop specific business outcomes required by this project.

On-going Operation and Maintenance Estimate Methodology

SCE's estimate for on-going costs include provisioning access, system maintenance, on-going licensing and cloud processing cost for the large amount of data to be available as directed. In addition, there will be program operational costs.

Budget

The estimated initial infrastructure, development costs and ongoing operational costs necessary to enable data sharing with regional energy networks and third-party implementers and/or their authorized agents in 2023-2027 is $5,445,000. Accordingly, these costs are comprised of $3,200,000 initial development and infrastructure and $2,245,000 ongoing operational costs. Costs are only estimated through 2027, which aligns with the end of the first Portfolio Plan period of the pending EE Business Plans. Requests for funding beyond PY2027 will be included in the 2026 Portfolio and Business Plan Application as applicable.

Table 1 - **Summary of Estimated Incremental Data-Sharing Costs** (costs in 000s)

Cost Category	**2023**	**2024**	**2025**	**2026**	**2027**	**Total***
Initial Infrastructure	$800	$2,400	-	-	-	$3,200
Ongoing Operational	$100	$150	$650	$665	$680	$2,245
					Total	$5,445

Cost Recovery

SCE proposes to access $5,445,000 of unspent/uncommitted funds from SCE's 2022 authorized budget, thereby increasing the 2023-2027 budget accordingly. These unspent/uncommitted funds were part of SCE's unspent/uncommitted true-up advice letter[4]. SCE's proposed cost recovery mechanism of using unspent/uncommitted funds will not increase current rates.

Conclusion

This AL is submitted to meet the requirements of D.23-02-002 OP 20 and addresses the system needs to enable data sharing with Users.

[4] In SCE's True-Up Advice Letter for Program Year 2022 to Fund the School Energy Efficiency Stimulus Program (Advice 5013-E), p. 3, SCE identified a total budget of $5,445,000 for initial infrastructure costs and ongoing operational costs to enable data sharing.

APPENDIX D

Southern California Gas Company Data Sharing Infrastructure and On-going Cost Supporting Information

Contents

Executive Summary

SoCalGas is requesting approval through this Advice Letter, in compliance with Decision (D.) 23-02-002, OP 20, to recover the costs associated with building, implementing, and operating a data sharing technology platform (Energy Data Sharing Platform or EDSP) to enable data sharing with Regional Energy Networks (RENs) and third-party implementers and/or their authorized agents. The purpose of the EDSP is to provide a standardized, automated, timely and secure approach for transmitting customer energy usage and other customer data required by the third parties to implement their Energy Efficiency (EE) programs.

Additionally, the platform will facilitate the data transfers to EE program evaluators required to conduct Evaluation, Measurement and Verification (EM&V), including load impact evaluations.

SoCalGas estimates to spend $8.58 million from 2024 through 2027 to build and operate the Energy Data Sharing Platform described herein. This includes an estimated $6.05 million for the initial build out and implementation of an information technology platform to support third-party program implementers' and evaluators' access to energy-related customer data, and an estimated $2.53 million through 2027 to fund the support staff and ongoing software licensing, hosting, and maintenance costs required to operate the data sharing platform.

Data Sharing Platform Description

Platform Description

The SoCalGas Energy Data Sharing Platform will enable automated and secure sharing of customer-specific, disaggregated energy-related data, such as Advanced Meter Infrastructure (AMI) interval usage and related customer data, through SoCalGas's systems as required to enable and support Energy Efficiency (EE) programs implemented by authorized RENs and third-party implementers and/or their authorized agents.

Current and future importance of SoCalGas's proposed EDSP

D.23-02-002 states "without access to disaggregated data, RENs and third-party programs are not able to achieve energy savings or other identified program outcomes to the same extent or as effectively as programs that are able to leverage such data."[1] The Decision further notes, "both participant and non-participant data is necessary to implement NMEC programs, and that streamlined data access is essential to run effective energy efficiency programs."[2]

In addition to meeting the requirements as laid out in D.23-02-002, the proposed EDSP will provide the foundation by which SoCalGas-administered data transfer capabilities could eventually be expanded to establish "customer-authorized" energy-related data sharing capabilities, such as a SoCalGas "Green Button Connect My Data" (GBCMD) offering. These potential future customer-authorized data sharing capabilities would be comparable to those ordered by the Commission in D.11-07-056 of the Smart Grid proceeding and subsequent proceedings for the three electric investor-owned utilities (IOUs).[3] SoCalGas was not ordered or authorized to recover costs to build out GBCMD-specific capabilities in D.11-07-056 or subsequent Decisions or Resolutions.

The EDSP will incorporate common data transfer formats, consistent with the approaches utilized by the three other California IOUs and with the national standards for energy data access, including the Open Automated Data Exchange (OpenADE) Energy Service Provider Interface (ESPI) standard (national Smart Grid standard).[4] Additionally, the platform and associated data transfer protocols will be consistent with the Rules Regarding Privacy and Security Protections for Energy Usage Data in Attachment D of D.11-07-056 and as incorporated into SoCalGas Tariff Rule No. 42.[5]

The EDSP is a critical and foundational element of new and innovative future Energy Efficiency programs implemented by third parties. The platform will not only support the secure, timely and automated sharing of large volumes of customer interval usage data in support of third-party program implementers, including RENs, but will also support the post-program evaluation efforts that are key to determining the effectiveness and impact of the programs. The EDSP is comprised of five primary capabilities, described in further detail in the Detailed Description section.

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[1] D.23-02-022, Finding of Fact (FOF) 22.

[2] *Id.* at 10.

[3] D. 11-07-056, OP 8; D.13-09-025 and Resolution E-4868 authorized additional funding for Electric IOUs.

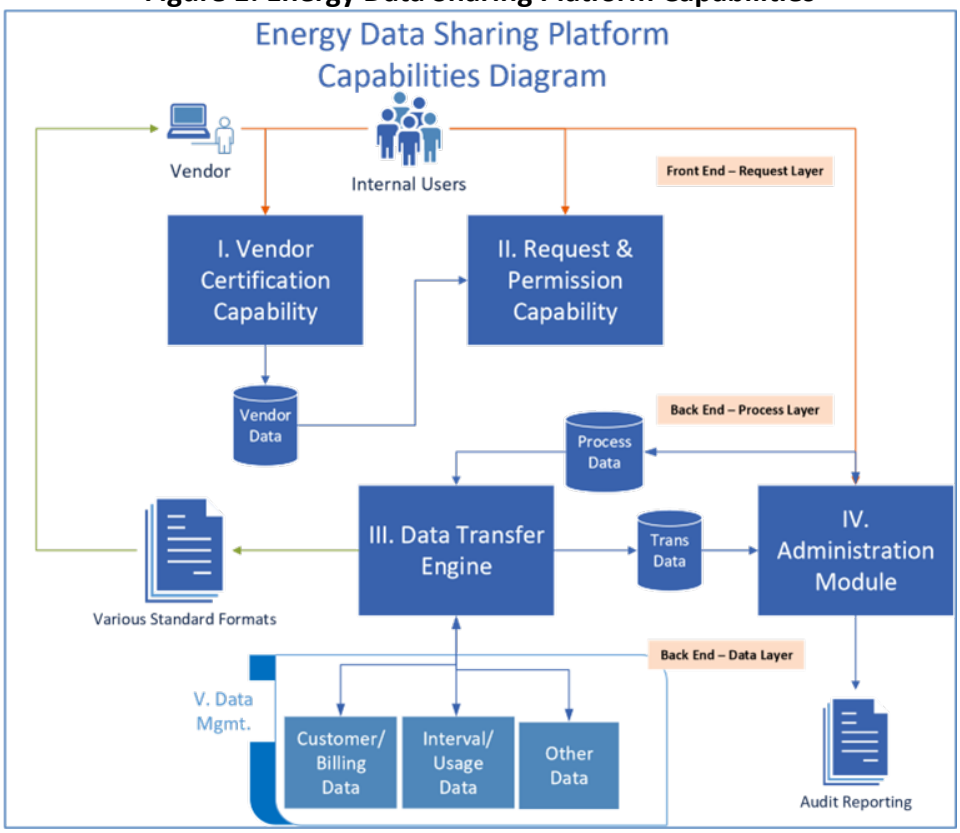
[4] As described at https://www.energy.gov/data/green-button, the Energy Services Provider Interface (ESPI) data standard was released by the North American Energy Standards Board (NAESB) in the fall of 2011. Further details relating to the ESPI standard is found at: https://www.naesb.org/ESPI_Standards.asp.

[5] SoCalGas Rule No. 42, PRIVACY AND SECURITY PROTECTIONS FOR ENERGY USAGE DATA.

For these reasons, the Commission should authorize SoCalGas to establish energy data sharing capabilities as it has ordered the three other California IOUs to build out through the prior Smart Grid proceedings. The Commission noted in D.13-09-025,[6] it "would welcome considering applications that would provide gas usage data as well." [7]

As outlined in Figure 1 below, the proposed Energy Data Sharing Platform incorporates several key capabilities, including both "Front end" and "Back office" (or "Back end") functions related to facilitating automated and secure transfer of energy-related customer data to authorized third-party implementers and evaluators under contract to SoCalGas. Further details regarding each of these capabilities and functions, as well as the ongoing support required to operate and maintain the EDSP, are provided below.

Figure 1: Energy Data Sharing Platform Capabilities



[6] Decision authorizing provision of customer energy data to third parties upon customer request.
[7] D.13-09-025 at 59.

Front-End Capabilities

Vendor (Third Party) Certification Capability - This first capability (shown as "I" on Figure 1) facilitates and automates the process workflow for the numerous steps required for SoCalGas to validate that an authorized third-party is eligible to participate in SoCalGas's energy data sharing process. It includes SoCalGas's verification that authorized RENs or third-party EE implementers will protect customers' information by following policies and practices no less protective than SoCalGas's policies. The process requires the following activities:

- Verify that third-party vendors will follow privacy policies and information security practices no less protective than SoCalGas's policies;[8]
- Confirm that each third-party receiving customer data can accept SoCalGas's standardized data format(s) and mechanism(s) for data transfer; and,
- Identify the type of data and/or program requirements for which the third party is being certified.

Following are the <u>sub-capabilities of the Vendor Certification capability</u>:

1) Ability for a third party under SoCalGas's administration to request certification:

a. The third party selects from a list of the type of programs and/or program evaluation data requirements for which the certification is being requested, as well as the frequency of customer data transmittal required:

i. As outlined in the Decision, this would incorporate: "Specifically, data fields must map directly to one or more of the following program functions:

- Customer targeting;
- Customer eligibility checks;
- Execution of the program for enrolled customers;
- Measurement and evaluation; and
- Eliminating participant double-dipping and/or double-counting of savings (when applicable)."[9]

ii. The EDSP system in turn specifies the types of data available for given programs' specific data requirements, etc.

b. Key vendor information is recorded in the EDSP, including vendor IT/data key contacts, vendor data requirements justification and data/technical specifications, and references or copies of applicable contracts or non-disclosure agreements.

[8] D. 23-02-002 states "Acknowledging the need to protect customer privacy and to maintain data security, this decision conditions such access on users' attestation that the data will be used only for primary purpose use cases – in this context, energy efficiency program implementation and/or savings measurement – and the user (whether a REN or third-party implementer, or their authorized agent) meets minimum data security requirements of the IOU from which they are requesting data."

[9] *Id.* at 63.

2) The EDSP facilitates the third party's acceptance of SoCalGas data transfer guidelines and specifications pertaining to data format(s) and the data transfer and/or data access mechanism(s).

3) SoCalGas secures the third-party contractor's acceptance of SoCalGas data privacy guidelines and security policies, encompassing general guidelines regarding use of the data, compliance with SoCalGas Tariff Rule 42, responsibilities associated with being a custodian of the data, and other regulatory and legal requirements.[10]

4) The EDSP facilitates and records SoCalGas's IT Cybersecurity department's "Cybersecurity Assessment" and validation of the third party's security posture, both initially, and on a periodic basis.

5) The EDSP facilitates approval of the third-party certification request via an automated workflow process:

a. Creates approval workflow based on specifics of the certification request;
b. Provides electronic notification at each point of approval process;
c. Provides final approval notification to the third party and all designated approvers.
d. Provides a record of the third-party request and ability to create, change or delete the request.

Request and Permission capability - The second capability (shown as "II" on Figure 1) includes processes by which a SoCalGas-authorized internal user sets up an automated data transfer request to a designated authorized third party that has been certified through the previously described "Vendor Certification" process. This capability includes identification of the customer accounts(s) for which data will be transferred, type of data, format, frequency, duration, etc.

Following are the <u>sub-capabilities of the Request and Permission capability</u>:

1) Ability for a third-party program implementer (or evaluator) to request energy-related customer data required to implement their program:

a. Request made through third party's applicable SoCalGas program administrator contact;
b. Request may include one or multiple customer accounts; and
c. Request may include various data types.

2) Ability for the SoCalGas program administrator to identify third party(ies) that have been certified to be able to receive certain types of customer data.

3) Ability to identify the type of data that can be transferred:

[10] The Commission acknowledges the importance of this in the Decision on p. 64, "Acknowledging the need to protect customer privacy and to maintain data security, this decision conditions such access on users' attestation that the data will be used only for primary purpose use cases – in this context, energy efficiency program implementation and/or savings measurement – and the user (whether a REN or third-party implementer, or their authorized agent) meets minimum data security requirements of the IOU from which they are requesting data."

a. The SoCalGas administrator is able to choose from a list of available data types individual certified third parties are eligible to receive.

4) Ability to determine and set the data transfer characteristics:

a. "One time," "On-Demand," or periodically scheduled data transfer(s); and
b. Specific timeframe(s) and frequency associated with and available for each given data set type.

Back-Office Capabilities

The **"Back office" aspects of the EDSP** system include the **Data Transfer Engine** (shown as "III" in the Figure 1 capabilities diagram), the **Administration Module** ("IV" in Figure 1), and the **Data Management Process capability** ("V" in Figure 1).

Data Transfer Engine – This capability includes the various components of the data sharing platform that manage the approved data requests to verify the transfer of the right data, at the right frequency, in the right format, through the right secure transfer mechanism to the right third-party implementer.

Data Management Process – This capability gathers appropriate data from SoCalGas internal systems and formats the data in pre-determined, standard data formats.

Following are the sub-capabilities of the **Data Transfer Engine** and **Data Management Process** capabilities:

1) The **Data Transfer Engine** runs daily to manage the data required to be shared with each certified and authorized third party for a given timeframe. It identifies the following for each established data transfer:

a. The third party receiving the data;
b. The customer account(s) data that is being shared; and
c. The data format.

2) The engine gathers data from various internal data repositories/systems as required for a given third-party program/evaluation:

a. Energy/usage data (monthly or hourly/daily interval gas usage data);
b. Customer data (billing, account, etc.); and,
c. Other data (for example, prior EE program participation data).

3) The Data Management process makes sure that the appropriate data is gathered from SoCalGas' internal systems and formatted in pre-determined, standard data formats:

a. Each format consists of:
    i. A list of data elements, and,
    ii. Any additional requirements specific to gathering a specific data element.

4) Data is sent to each receiving third party via the specified data transfer mechanism.

5) Data transfer logs are then recorded in the **Administration Module.**

Administration Module ("IV" in Figure 1) – This capability includes elements of the EDSP that facilitate SoCalGas's back office administration of data transfers to third parties, including managing/updating vendor certifications, the ability to view a history and audit trail for all transactions, workflow to ensure data transfers are terminated and/or data is purged from third party systems upon contract/program conclusion, and the ability to generate reports as needed for internal and/or external stakeholders.

Project Cost Estimate and Schedule

One-Time Infrastructure Estimate Methodology

To determine the IT resources and costs required to build and implement the proposed EDSP, SoCalGas utilized its standard "IT Lifecyle" process to develop high-level requirements and cost estimates. This included first working with internal program management and business systems analyst staff to identify business/program requirements and associated "use cases" involving the need for secure and automated sharing of customer-specific energy-related data with third-party program implementors and evaluators. This was followed by working with technical/IT staff, including managers, architects, and software developers, to translate the business or functional requirements of the platform to a proposed architecture and high-level set of technical functions/capabilities. Key system requirements included confirming that industry standard data format standards would be followed (at a minimum), as well as Commission and other privacy-related directives, mandates, and best practices. A third and key step in this process was benchmarking against similar capabilities offered by the other IOUs. SoCalGas reviewed the applications and approaches proposed by the other three IOUs in their previous filings and Commission directives outlined in prior energy data sharing-related proceedings as well.

These collective system design and estimation efforts resulted in SoCalGas's identification of the five key system capabilities outlined above, as well as the associated high-level cost estimates required to build out each of these respective capabilities.

On-going Operation and Maintenance Estimate Methodology

Because the EDSP will be a major new SoCalGas IT system, consistent with the energy data sharing systems developed by the three other California IOUs, there will be ongoing operations and maintenance (O&M) requirements associated with the day-to-day support of the SoCalGas EDSP and the third-party programs it will support. This includes EDSP program administration staff, technical/IT support staff, and annual software licensing, hosting and maintenance costs.

Properly resourced ongoing EDSP support is critical to make sure reasonable levels of performance are maintained related to the timeliness of initial and ongoing coordination with third-party program implementers (and their respective system/data administrators); initial and ongoing vendor certification, data transfer set-up and testing; ongoing data access; quality assurance monitoring; and software system maintenance, enhancements and day-to-day production support.

The following is a summary of the staff support functions and elements included in SoCalGas's EDSP project spending request:

1) <u>EDSP Program Administration (one incremental utility staff member)</u>
    a) Provides overall oversight as it relates to the use of the EDSP in support of third-party program implementation and evaluation;
    b) Provides direct support and acts as the liaison to SoCalGas internal program managers and to third-party program implementors under contract to SoCalGas; and,
    c) Manages all reporting pertaining to the EDSP for internal and external stakeholders.
    d) Other key EDSP Program Administration responsibilities will include:
        i) Facilitating/guiding third-party implementers or evaluators through the vendor certification process;

ii) Managing the Request and Permission process within the EDSP to set up data transfers to certified third-party program implementers and evaluators;
iii) Coordinating with third party vendors on their certification reviews, including periodic Cybersecurity "re-certification" reviews in accordance with SoCalGas IT Cybersecurity requirements;
iv) De-certification of third-party program/evaluators driven by Commission directive, third-party program termination or company closure; third-party security breach, etc.;
v) Coordinating internal SoCalGas response support in the event of data security breaches within a third-party program implementer;
vi) Coordinating customer inquiry support pertaining to third-party implementer utilization of customer data (e.g., responding to customer privacy questions or concerns); and
vii) Supporting general customer complaint and issue escalation arising from the data transfer aspects of third-party programs.
viii) Responding to CPUC inquiries and data requests pertaining to the SoCalGas' data sharing activities with third parties that are facilitated by the EDSP.

2) <u>EDSP Business Systems Operations (one incremental utility staff member)</u>
   a) Supports the day-to-day operations of the EDSP system, including working with and coordinating with EDSP Program Administration staff, program advisors and IT staff to resolve technical, system and data issues that may arise, defining business requirements for system enhancements, and performing comprehensive system testing of new enhancements to and maintenance of the platform.
   b) Other key responsibilities of EDSP Business Systems Operations include:
      i) Driving the investigation and resolution of data quality issues identified by internal program staff and/or third-party implementers (e.g., incomplete, inaccurate, or missing data);
      ii) Supporting the initial set-up, testing and verification of automated, secure data transfers to contracted third-parties;
      iii) Supporting the shut down and de-commissioning of automated data transfers to contracted third-parties; and,
      iv) Overseeing proper internal access controls to the EDSP.

3) <u>EDSP IT Support (one incremental utility IT staff member)</u> - as noted above, the Energy Data Sharing Platform will be a new capability in the SoCalGas IT department's portfolio and thus will require associated IT technical support. Primary responsibilities of EDSP IT Support will include performing software version upgrades and other regular system maintenance on various IT components of the platform, as well as supporting the technical aspects of both ongoing and future cybersecurity and privacy requirements. Another major focus for EDSP IT Support will be to address and resolve technical issues that are identified by both internal and third-party users of the system. This IT technical support is also needed to develop additional capabilities (e.g., new data types, data formats, and transfer mechanism) that

may be required as the EE and potential future Demand Response (DR) programs mature and business and technical requirements for the system evolve.

EDSP support staff in each of the areas above will also engage as required in ongoing industry dialogues, forums and working groups to ensure that the EDSP operates in a manner that is consistent with utility energy data standards and best practices.

IT project spending is also required for the annual software licensing, hosting and maintenance fees associated with the operation of EDSP software and hardware.

The estimated project costs for both the staff and non-labor resources discussed above are outlined in Table 1 in the "Budget" section that follows.

Budget

SoCalGas estimates to spend $8.58 million from 2024 through 2027 to build and operate the new EDSP. This includes $6.05 million for the initial build out and implementation of an information technology platform to support third-party contractor access to energy-related customer data, and an additional $2.53 million to fund the support staff and ongoing software licensing and maintenance costs required to operate the data sharing platform through 2027. Anticipating an authorization during the second half of 2023, SoCalGas estimates commencing this project at the beginning of 2024, with deployment of the full platform and capabilities within 2025.

Table 1 below provides a summary of the estimated costs necessary to build and implement the various capabilities proposed for the EDSP outlined in this Application.

Costs are only estimated through 2027, which aligns with the end of the first Portfolio Plan period of the pending EE Business Plans. Requests for funding beyond PY2027 will be included in the 2026 Portfolio and Business Plan Application as applicable.

Table 1 - **Summary of Estimated Incremental Data-Sharing Costs** (costs in 000s)

Cost Category	**2023**	**2024**	**2025**	**2026**	**2027**	**Total**
One-Time Infrastructure	N/A	$3,600	$2,450	-	-	$6,050
Ongoing Operational	N/A	$322	$722	$735	$749	$2,528
					2024 – 2027 Total	$8,578

Cost Recovery

Decision 23-02-002 OP 20 provided the authority for SoCalGas to request, and for Energy Division to approve, reasonable one-time and ongoing cost estimates for SoCalGas to build and implement an EDSP. SoCalGas proposes to establish an EDSP Subaccount within the Demand-Side Management Balancing Account (DSMBA) to record the O&M and capital-related costs (i.e., depreciation, taxes, and return) on capital assets associated with the EDSP. SoCalGas proposes to amortize the EDSP Subaccount annually in rates through the annual Update of Public Purpose Program Surcharge Advice Letter due on Oct 31 of

each year.[11] In its next General Rate Case (GRC), SoCalGas will propose to include the capital assets associated with the EDSP in its rate base, and in its next EE proceeding, SoCalGas will propose to include the ongoing O&M costs in its EE funding. Upon implementation of each proceeding, SoCalGas will no longer record costs associated with the EDSP in its EDSP Subaccount within the DSMBA. After amortizing any remaining costs in the EDSP Subaccount, SoCalGas will transfer any residual balance to its Core Fixed Cost Account and close the EDSP Subaccount. SoCalGas's updated Preliminary Statement for the DSMBA is attached to this appendix as Attachment B.

Conclusion

SoCalGas embraces the opportunity to enable a new generation of energy-saving programs and tools for our customers by implementing and enabling data sharing infrastructure in support of innovative EE programs implemented through the RENs and third-party program implementers. At the same time, it is a priority to protect customer privacy and safety, making sure that their data is made available to third-party program implementers and evaluators in the most secure, standardized, and cost-efficient manner.

The SoCalGas Energy Data Sharing Platform proposed in this Advice Letter supports the objectives outlined in D. 23-02-002 and is aligned with the Commission's strategic objectives and directives outlined in D. 11-07-056 and subsequent proceedings pertaining to the IOUs implementing and enhancing energy-related customer data sharing capabilities in support of expanded and enhanced EE and DR opportunities. The EDSP proposed is consistent and aligned with investments made by the three electric IOUs to build out their respective customer data sharing platforms for these purposes. Establishing SoCalGas's EDSP is critical step towards leveraging third-party programs, software, mobile apps and other energy management technology capabilities to support more timely and energy-efficient use of natural gas.

In addition to being critical to the success of current and future third-party EE program implementations, SoCalGas's proposed Energy Data Sharing Platform project is consistent with numerous Commission and State energy policy objectives. On a fundamental level, it supports Commission directives aimed at optimizing the cost-effectiveness of demand-side management programs. The EDSP project will automate what could otherwise be manual and labor-intensive processes to extract customer-specific energy-related data from different company systems and transmit data using one-off approaches to various future EE third-party program implementers and evaluators.

For these reasons, SoCalGas respectfully requests the Commission approve the cost projections for building, implementing, and operating the Energy Data Sharing Platform.

[11] D. 04-08-010, OP 22.

ATTACHMENT A
Advice No. 6140 et al

Cal. P.U.C. Sheet No.	Title of Sheet	Cancelling Cal. P.U.C. Sheet No.
Revised 60726-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DEMAND SIDE MANAGEMENT BALANCING ACCOUNT (DSMBA), Sheet 1	Revised 58527-G
Revised 60727-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DEMAND SIDE MANAGEMENT BALANCING ACCOUNT (DSMBA), Sheet 2	Revised 58528-G
Revised 60728-G	PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS, DEMAND SIDE MANAGEMENT BALANCING ACCOUNT (DSMBA), Sheet 3	Original 58529-G
Revised 60729-G	TABLE OF CONTENTS, Sheet 1	Revised 60725-G

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 1
DEMAND SIDE MANAGEMENT BALANCING ACCOUNT (DSMBA)

The DSMBA is an interest bearing balancing account recorded on SoCalGas' financial statements. The purpose of this account is to track, beginning on January 1, 2006 with the implementation of the 2006-2008 cycle approved by Decision (D.) 05-09-043, the difference between the non-low-income energy efficiency program (i.e., "Demand Side Management" or DSM) component of the gas surcharge funds reimbursed from the State and the corresponding actual DSM program costs. Pursuant to D.09-09-047, the DSMBA will track the corresponding activity in the 2009 bridge funding period and the 2010-2012 energy efficiency program cycle. The gas surcharge was established pursuant to Assembly Bill 1002 and implemented by utilities pursuant to the Natural Gas Surcharge D.04-08-010. The DSMBA also tracks the costs associated with the On-Bill Financing (OBF) Program adopted in D.05-09-043 and extended by D.09-09-047.

Pursuant to D.21-01-004, the School Energy Efficiency Stimulus Program (SEESP) subaccount is established within the SoCalGas' existing energy efficiency balancing account (i.e., the DSMBA) to record the allocation and transfer of Stimulus Program funds to the California Energy Commission (CEC). Pursuant to Ordering Paragraph 2, Conclusions of Law 2, and Section 4.2 of D.21-01-004, SoCalGas will transfer SEESP funds to the CEC, no later than April 1, 2021, and quarterly thereafter. The CEC will administer the SEESP for its program years of 2021 through 2023.

As authorized in D.21-01-004, SoCalGas shall be required to fund the SEESP for program years 2021, 2022 and 2023. Annual program funding for Program Year 2021 is estimated to be $5,000,000 and will paid quarterly to CEC. Estimated amount may be adjusted based on SoCalGas' actual unspent and uncommitted funds from Program Year 2020 in connection with SoCalGas' September 1, 2021 annual budget advice letter. Program funding for subsequent years will determined based on unspent funds in the prior years.

Pursuant to D.23-02-002, SoCalGas is authorized to build, implement, and operate the Energy Data Sharing Platform (EDSP), a data sharing technology platform to enable data sharing with Regional Area Networks (RENs) and third-party implementors and/or their authorized agents. The purpose of the EDSP is to provide a standardized, automated, timely, and secure approach for transmitting customer data required by the third parties to implement their energy efficiency programs. N N N N N

As a result, the DSMBA consists of the following Subaccounts:

- Energy Efficiency Program (EEP) Subaccount
- SEESP Subaccount
- EDSP Subaccount N

SoCalGas maintains the EEP Subaccount by making monthly entries as follows:

a. A debit entry equal to actual DSM costs (e.g., conservation costs and other marketing program costs); L

(Continued)

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 2
DEMAND SIDE MANAGEMENT BALANCING ACCOUNT (DSMBA)

(Continued)

b. A debit entry equal to the cost of funds calculated at the Utility's authorized weighted average cost of capital rate (8.43%) on the average monthly balance of net funds loaned for the OBF Program; L L

c. A debit entry equal to the actual cost of defaults associated with the OBF Program; L

d. A debit entry equal to the amount of unspent funds to the SEESP Subaccount to fund the SEESP;

e. A credit entry equal to the DSM surcharge component of the recorded gas PPP surcharge billed for the month, net of actual bad debt write-offs;

f. A debit entry equal to the DSM surcharge component of the PPP surcharge funds, net of any refunds to exempt customers, remitted to the California Department of Tax and Fee Administration (CDTFA), previously known as the State Board of Equalization (BOE), pursuant to Assembly Bill 1002;

g. A debit entry equal to DSM surcharge component of the refunds to customers that are exempt from the PPP surcharge under Section 896 of the Public Utilities Code and the California Energy Resources Surcharge Regulation Sections 2315 and 2316;

h. A credit entry equal to the DSM surcharge component of the reimbursement of the gas PPP surcharge funds, which may include surcharge funds from interstate non-exempt pipeline customers, including actual interest earned in the Gas Consumption Surcharge Fund while the funds were in the possession of the State. The amount reimbursed excludes the funds retained by the CDTFA/Commission to offset their administration costs, the R&D administrator funds, and any refunds paid by the CDTFA to customers that are exempt from the surcharge;

i. A year-end credit entry, if necessary, equal to the excess of annual expenditures above annual authorized levels (including authorized carry-over funding); and

j. An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I, J.

SoCalGas maintains the SEESP Subaccount by making monthly entries as follows:

a. A debit entry equal to the amount of funds transferred quarterly to the CEC;

b. A credit entry equal to the unspent funds transferred from the EEP Subaccount to fund the SEESP; and

c. An entry equal to the interest on the average of the balance in the account during the month, calculated in the manner described in Preliminary Statement, Part I.

(Continued)

PRELIMINARY STATEMENT - PART V - BALANCING ACCOUNTS Sheet 3
DEMAND SIDE MANAGEMENT BALANCING ACCOUNT (DSMBA)

(Continued)

SoCalGas maintains the EDSP Subaccount by recording monthly entries, excluding F&U, as follows: N

A debit entry equal to operations and maintenance (O&M) costs and capital-related costs (i.e., depreciation, taxes, and return) associated with the EDSP; N N

An entry to amortize the prior year's Subaccount balance; and N

c. An entry equal to interest on the average balance in the Subaccount during the month, calculated in the manner described in Preliminary Statement, Part I, J. N N

Pursuant to Commission D.04-08-010, the Utility shall file by October 31 of each year an advice letter requesting to establish the gas PPP rate effective January 1 of the following year consisting of the net amortization component of gas PPP account balances consistent with the Commission's prevailing policy on PPP accounting methods and the Commission's currently authorized program budget revenue requirements for the PPP. Program spending for the EEP Subaccount is limited and over-expenditures may not be recovered from ratepayers. Shareholders absorb the balance in the event that actual program expenses exceed authorized levels. The balance in the EDSP Subaccount will be included in the annual PPP surcharge rate filing for recovery in PPP surcharge rates. In its next General Rate Case (GRC) proceeding, SoCalGas will propose including the EDSP capital costs in base rates. In addition, in its next EE proceeding, SoCalGas will propose including ongoing O&M costs in EE funding. Upon implementation for each proceeding, SoCalGas will no longer record the respective costs for the EDPS in the DSMBA. After amortizing any remaining costs in the EDSP Subaccount, SoCalGas will transfer any residual balance to the Core Fixed Cost Account and close the EDSP Subaccount. N N N N N N N

No later than February 1, 2027, SoCalGas will submit an advice letter to the Commission detailing the actual amount of funds remaining in its SEESP Subaccount, seek authorization to close the SEESP Subaccount, and either return any remaining funds to ratepayers or offset future energy efficiency budget collections as soon as practically possible.

TABLE OF CONTENTS

The following listed sheets contain all effective Schedules of Rates and Rules affecting service and information relating thereto in effect on the date indicated thereon.

(Continued)

PG&E Gas and Electric
Advice Submittal List
General Order 96-B, Section IV

AT&T
Albion Power Company

Alta Power Group, LLC
Anderson & Poole

Atlas ReFuel
BART

Barkovich & Yap, Inc.
Braun Blaising Smith Wynne, P.C.
California Community Choice Association
California Cotton Ginners & Growers Assn
California Energy Commission

California Hub for Energy Efficiency Financing

California Alternative Energy and Advanced Transportation Financing Authority
California Public Utilities Commission
Calpine

Cameron-Daniel, P.C.
Casner, Steve
Center for Biological Diversity

Chevron Pipeline and Power
City of Palo Alto

City of San Jose
Clean Power Research
Coast Economic Consulting
Commercial Energy
Crossborder Energy
Crown Road Energy, LLC
Davis Wright Tremaine LLP
Day Carter Murphy

Dept of General Services
Don Pickett & Associates, Inc.
Douglass & Liddell
Downey Brand LLP
Dish Wireless L.L.C.

East Bay Community Energy Ellison Schneider & Harris LLP
Engineers and Scientists of California

GenOn Energy, Inc.
Green Power Institute
Hanna & Morton
ICF
iCommLaw
International Power Technology
Intertie

Intestate Gas Services, Inc.

Johnston, Kevin
Kelly Group
Ken Bohn Consulting
Keyes & Fox LLP
Leviton Manufacturing Co., Inc.

Los Angeles County Integrated Waste Management Task Force
MRW & Associates
Manatt Phelps Phillips
Marin Energy Authority
McClintock IP
McKenzie & Associates

Modesto Irrigation District
NLine Energy, Inc.
NRG Solar

OnGrid Solar
Pacific Gas and Electric Company
Peninsula Clean Energy

Pioneer Community Energy

Public Advocates Office

Redwood Coast Energy Authority
Regulatory & Cogeneration Service, Inc.

Resource Innovations

SCD Energy Solutions
San Diego Gas & Electric Company

SPURR
San Francisco Water Power and Sewer
Sempra Utilities

Sierra Telephone Company, Inc.
Southern California Edison Company
Southern California Gas Company
Spark Energy
Sun Light & Power
Sunshine Design
Stoel Rives LLP

Tecogen, Inc.
TerraVerde Renewable Partners
Tiger Natural Gas, Inc.

TransCanada
Utility Cost Management
Utility Power Solutions
Water and Energy Consulting Wellhead Electric Company
Western Manufactured Housing Communities Association (WMA)
Yep Energy