December 10, 2010

Advice Letter 3120-G/3675-E

Jane K. Yura  
Vice President, Regulation and Rates  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10B  
P.O. Box 770000  
San Francisco, CA  94177

Subject:  2010-2012 Energy Efficiency Program Performance Metrics  
for Statewide Programs and Associated Sub-Programs and  
Other Required Program Documentation

Dear Ms. Yura:

Advice Letter 3120-G/3675-E is effective December 2, 2010.

Sincerely,

Julie A. Fitch, Director  
Energy Division
May 28, 2010

ADVICE 2476-E
(Southern California Edison Company ID U 338-E)

ADVICE 3120-G/3675-E
(Pacific Gas & Electric Company ID U 39-M)

ADVICE 4114
(Southern California Gas Company ID U 904-G)

ADVICE 2172-E/1951-G
(San Diego Gas & Electric Company ID U 902-M)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA
ENERGY DIVISION

SUBJECT: 2010-2012 Energy Efficiency Program Performance Metrics
for Statewide Programs and Associated Sub-programs
and Other Required Program Documentation

Consistent with Ordering Paragraph (OP) 11 of California Public Utilities Commission
Commission or CPUC) Decision (D.) 09-09-047, Southern California Edison Company
(SCE), Pacific Gas & Electric Company (PG&E), Southern California Gas Company
(SoCalGas), and San Diego Gas & Electric Company (SDG&E), (collectively referred to
as the Investor Owned Utilities or “IOUs”), submit this joint advice filing to establish
Program Performance Indicator Worksheets for each energy efficiency statewide
program and associated sub-programs no later than May 28, 2010. In addition, this
advice letter addresses subcategories “a-h” of OP 11 in Attachments A - H.

PURPOSE

This advice filing complies with the Commission’s directive to submit the Joint IOUs’
Program Performance Indicator Worksheets, as revised by Energy Division on March
15, 2010, for each energy efficiency statewide program and associated sub-programs, as well as additional program documentation requirements, 120 days from the effective date of D.09-09-047, originally falling on January 22, 2010. However, on January 19, 2010, the IOUs jointly requested, and were granted, a four-month extension to make this filing by the Commission’s Executive Director due to the need for additional time to develop statewide program metrics that satisfy the Commission’s directive, thereby establishing a new due date of May 21, 2010. Further, the IOUs requested an extension of one week to allow additional time for internal IOU review of the Program Performance Metrics (PPMs), establishing a final due date of May 28, 2010. These proposed performance metrics are in addition to the energy savings, demand reduction, and program expenditures metrics the IOUs are required to track and report.

BACKGROUND

Within D.09-09-047, the CPUC discusses the need for the IOUs to develop PPMs that are objective, quantitative indicators of the the statewide programs’ and sub-programs’ progress toward goals and objectives. Additionally, in OP 11, the decision directs the IOUs to file one joint advice letter encompassing proposed performance metrics for each statewide program (and associated sub-programs).

Through ongoing collaboration between the CPUC’s Energy Division staff and the IOUs, the PPMs were developed with consideration toward tracking program effectiveness, administrative simplicity and cost effectiveness of tracking and reporting, as well as avoiding dependence on EM&V or market assessment studies. Additionally, the PPMs include metrics for all 12 statewide programs, with some PPMs specific to various sub-programs.1

After the PPMs are approved, the IOUs will work with Energy Division to develop appropriate reporting templates and schedules as part of the broader discussion on the Commission’s reporting requirements.

In D.09-09-047, the CPUC requires the Joint IOUs to establish Program Performance Indicator Worksheets for each energy efficiency statewide program and associated sub-program.2 In compliance with this directive, this advice filing includes:

- Completed Program Performance Indicator Worksheets (Attachment A);

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1 “We have no objection to the application of one set of program metrics to several programs if the metrics are otherwise valid for each program,” (D.09-09-047, p. 92)

2 OP# 11, p. 367
• Updated program logic models as indicated in the Program Performance Indicator Worksheets (also Attachment A);

• A discussion to specifically address the extent to which each program and sub-program plan included an end game for each technology or practice that transforms building, purchasing, and use decisions to become either standard practice, or incorporated into minimum codes and standards (Attachment B);

• Program targets for the Sustainable Communities pilot programs for Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company (Attachment C);

• Quantitative targets for the Sustainable Portfolios pilot program for Southern California Edison Company (Attachment D);

• A draft template that outlines how the Joint IOUs will develop, organize and transfer information on best practices to the statewide local government program coordinator (Attachment E);

• A description of the integrated program evaluation and management structures put in place to ensure linkages between subprograms to minimize lost opportunities for the Direct Install Commercial subprogram, (Attachment F);

• A description of an integrated internal management and evaluation structure that will ensure increased coordination and information sharing between the local and the statewide commercial programs, both within utility and between utilities for Southern California Gas Company and San Diego Gas & Electric Company (Attachment G); and

• The IOUs’ Program Performance Metric Selection Process Flow and Narrative (Attachment H).

This advice filing will not increase any rate or charge, cause the withdrawal of service, or conflict with any other schedule or rule.

**TIER DESIGNATION AND EFFECTIVE DATE**

The Joint IOUs believe that this filing should be classified as Tier 1 pursuant to GO 96-B. Therefore, the Joint IOUs respectfully requests that this advice letter become effective June 28, 2010, which is 30 calendar days after the date filed.
PROTEST

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 impacts, and should be submitted expeditiously. The protest must be made in writing and received within 20 days of the date this advice letter was filed with the CPUC. There is no restriction on who may file a protest. The address for mailing or delivering a protest to the Commission is:

   Public Utilities Commission
   CPUC Energy Division
   Attention: Tariff Unit
   505 Van Ness Avenue
   San Francisco, CA 94102

Copies of the protest should also be sent via e-mail to the attention of Honesto Gatchalian (jen@cpuc.ca.gov) and Maria Salinas (mas@cpuc.ca.gov) of the Energy Division. It is also requested that a copy of the protest also be sent via both e-mail and facsimile to the address shown below on the same date it is mailed or delivered to the Commission.

   Southern California Edison Company
   Akbar Jazayeri
   Vice President of Regulatory Operations
   2244 Walnut Grove Avenue
   Rosemead, California 91770
   Facsimile: (626) 302-4829
   E-mail: AdviceTariffManager@sce.com

   Southern California Edison Company
   Bruce Foster
   Senior Vice President, Regulatory Affairs
   c/o Karyn Gansecki
   601 Van Ness Avenue, Suite 2040
   San Francisco, California 94102
   Facsimile: (415) 929-5540
   E-mail: Karyn.Gansecki@sce.com

   Pacific Gas and Electric Company
   Attention: Jane Yura
   Vice President, Regulatory Relation and Rates
   77 Beale Street, Mail Code B10B
NOTICE

A copy of this filing has been served on the utilities and interested parties shown on the attached list, including interested parties to service list A.08-07-023, by either providing them a copy electronically or by mailing them a copy hereof, properly stamped and addressed.

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

Akbar Jazayeri  
Vice President of Regulatory Operations  
Southern California Edison Company  
2244 Walnut Grove Avenue  
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 shall set forth specifically the grounds upon which it is based and shall be submitted expeditiously.

In accordance with Section 4 of General Order No. (GO) 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B service list and A.08-07-021 et al. Address change requests to the GO 96-B service list should be directed by electronic mail to AdviceTariffManager@sce.com or at (626) 302-4039. For changes to 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 http://www.sce.com/AboutSCE/Regulatory/adviceletters.

For questions, please contact Michelle Thomas at (626) 633-3478 or by electronic mail at Michelle.Thomas@sce.com.

Southern California Edison Company

Akbar Jazayeri

AJ:mt:jm

Enclosures
### California Public Utilities Commission

#### Advice Letter Filing Summary

**Energy Utility**

**Must be completed by utility** (Attach additional pages as needed)

<table>
<thead>
<tr>
<th>Company name/CPUC Utility No.:</th>
<th>Southern California Edison Company (U 338-E)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Utility type:</strong></td>
<td></td>
</tr>
<tr>
<td>☑ <strong>ELC</strong></td>
<td>☐ <strong>GAS</strong></td>
</tr>
<tr>
<td>☐ <strong>PLC</strong></td>
<td>☐ <strong>HEAT</strong></td>
</tr>
<tr>
<td>☐ <strong>WATER</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Contact Person:</strong></td>
<td>James Yee</td>
</tr>
<tr>
<td><strong>Phone #:</strong></td>
<td>(626) 302-2509</td>
</tr>
<tr>
<td><strong>E-mail:</strong></td>
<td><a href="mailto:James.Yee@sce.com">James.Yee@sce.com</a></td>
</tr>
<tr>
<td><strong>E-mail Disposition Notice to:</strong></td>
<td><a href="mailto:AdviceTariffManager@sce.com">AdviceTariffManager@sce.com</a></td>
</tr>
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#### Explanation of Utility Type

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<thead>
<tr>
<th>ELC = Electric</th>
<th>GAS = Gas</th>
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<tbody>
<tr>
<td>PLC = Pipeline</td>
<td>HEAT = Heat</td>
</tr>
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<td>WATER = Water</td>
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<table>
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<tr>
<th>Advice Letter (AL) #:</th>
<th>2476-E</th>
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<tr>
<td>Tier Designation:</td>
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<tr>
<th>Subject of AL:</th>
<th>2010-2012 Energy Efficiency Program Performance Metrics for Statewide Programs and Associated Sub-programs and Other Required Program Documentation</th>
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<tr>
<th>Keywords (choose from CPUC listing):</th>
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<tr>
<th>AL filing type:</th>
<th>☐ Monthly</th>
<th>☐ Quarterly</th>
<th>☐ Annual</th>
<th>☑ One-Time</th>
<th>☐ Other</th>
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If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

<table>
<thead>
<tr>
<th>D.09-09-047</th>
</tr>
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</table>

<table>
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<tr>
<th>Does AL replace a withdrawn or rejected AL?</th>
<th>If so, identify the prior AL:</th>
</tr>
</thead>
<tbody>
<tr>
<td>☐ Yes ☑ No</td>
<td></td>
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</tbody>
</table>

| Summarize differences between the AL and the prior withdrawn or rejected AL: | |
|---------------------------------------------------------------------------||

<table>
<thead>
<tr>
<th>Confidential treatment requested?</th>
<th>☐ Yes ☑ No</th>
</tr>
</thead>
</table>

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:

<table>
<thead>
<tr>
<th>Resolution Required?</th>
<th>☐ Yes ☑ No</th>
</tr>
</thead>
</table>

<table>
<thead>
<tr>
<th>Requested effective date:</th>
<th>6/28/10</th>
</tr>
</thead>
<tbody>
<tr>
<td>No. of tariff sheets:</td>
<td>-0-</td>
</tr>
</tbody>
</table>

| 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).

<table>
<thead>
<tr>
<th>Tariff schedules affected:</th>
<th>None</th>
</tr>
</thead>
</table>

| Service affected and changes proposed: | |
|----------------------------------------||

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 filing, unless otherwise authorized by the Commission, and shall be sent to:

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

Akbar Jazayeri
Vice President of Regulatory Operations
Southern California Edison Company
2244 Walnut Grove Avenue
Rosemead, California 91770
Facsimile: (626) 302-4829
E-mail: AdviceTariffManager@sce.com

Bruce Foster
Senior Vice President, Regulatory Affairs
c/o Karyn Gansecki
Southern California Edison Company
601 Van Ness Avenue, Suite 2040
San Francisco, California 94102
Facsimile: (415) 929-5540
E-mail: Karyn.Gansecki@sce.com
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**Attachment C**  
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**Attachment D**  
Sustainable Portfolios Quantitative Targets (SCE)  

**Attachment E**  
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**Attachment F**  
Direct Install Program Linkages  

**Attachment G**  
Integrated Internal Coordination – Local and Statewide Commercial Programs (SDG&E, SCG)  

**Attachment H**  
Program Performance Metrics Development Plan
Attachment A
Statewide Program Performance Metrics and Program Logic Models Index
(Worksheets and logic models in separate attachment)

Pacific Gas and Electric, Southern California Edison, Southern California Gas, and San Diego Gas and Electric

<table>
<thead>
<tr>
<th>Attachment A Contents</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Statewide Residential Program &amp; Statewide Lighting Marketing Transformation, and Logic Models</td>
</tr>
<tr>
<td>2. Statewide Commercial Program and Logic Models</td>
</tr>
<tr>
<td>3. Statewide Industrial Program &amp; Statewide Agricultural Program, and Logic Models</td>
</tr>
<tr>
<td>4. Statewide New Construction and Logic Models</td>
</tr>
<tr>
<td>5. Statewide HVAC and Logic Models</td>
</tr>
<tr>
<td>6. Statewide Codes &amp; Standards and Logic Models</td>
</tr>
<tr>
<td>7. Statewide Emerging Technologies and Logic Models</td>
</tr>
<tr>
<td>8. Statewide Workforce Education &amp; Training and Logic Models</td>
</tr>
<tr>
<td>9. Statewide Marketing Education &amp; Outreach and Logic Models</td>
</tr>
<tr>
<td>10. Statewide Integrated Demand Side Management and Logic Models</td>
</tr>
</tbody>
</table>
The market transformation section of the program implementation plans (PIPs) did not analyze end games for each technology or practice that could potentially transform the market because the utility programs are not the sole influencing factor in the market transformation process. Rather, the IOUs indicated that California, for the most part, lacks the type of data needed to understand and analyze market transformation. Accordingly, IOU programs are generally based on traditional market adoption cycles, and typically energy efficiency technologies transfer out of programs when they are no longer cost-effective from a program implementation perspective, when they are integrated into codes and standards or become industry standard. The IOUs will continue to work with the EM&V process to plan, perform, and analyze further studies to identify the end games for specific technologies or practices of specific interest or concern.
Attachment C
Sustainable Communities Program Targets

<table>
<thead>
<tr>
<th>Southern California Edison</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target/Metric 1</strong></td>
</tr>
<tr>
<td>Number of master-planned communities intervened in and</td>
</tr>
<tr>
<td>with documented improvement in the qualitative nature of</td>
</tr>
<tr>
<td>urban form per the LEED for Neighborhood Development checklist.</td>
</tr>
<tr>
<td><strong>Target/Metric 2</strong></td>
</tr>
<tr>
<td>Number of master-planned communities intervened in and</td>
</tr>
<tr>
<td>with documented improvement in DSM performance per Title 24.</td>
</tr>
<tr>
<td><strong>Target/Metric 3</strong></td>
</tr>
<tr>
<td>Number of master-planned and zero net energy projects</td>
</tr>
<tr>
<td>offered technical assistance and financial incentives to</td>
</tr>
<tr>
<td>developers.</td>
</tr>
<tr>
<td><strong>Target/Metric 4</strong></td>
</tr>
<tr>
<td>Number of tools developed or existing tools calibrated to</td>
</tr>
<tr>
<td>refine assumptions about non-code usage such as plug load</td>
</tr>
<tr>
<td>and occupant behavior.</td>
</tr>
<tr>
<td><strong>Target/Metric 5</strong></td>
</tr>
<tr>
<td>Number of zero net energy projects intervened in and with</td>
</tr>
<tr>
<td>documented progress toward zero net energy.</td>
</tr>
</tbody>
</table>

Sustainable Communities targets were submitted in Supplement to Advice 2425-E, Southern California Edison Company’s 2010-2012 Energy Efficiency Pilot Programs and subsequently approved on April 30, 2010.

<table>
<thead>
<tr>
<th>Southern California Gas</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Target/Metric 1</strong></td>
</tr>
<tr>
<td>80% of residential projects at least 35% better than Title 24 by</td>
</tr>
<tr>
<td>2012.</td>
</tr>
<tr>
<td><strong>Target/Metric 2</strong></td>
</tr>
<tr>
<td>20% of new residential construction to be zero net energy by</td>
</tr>
<tr>
<td>2012.</td>
</tr>
<tr>
<td><strong>Target/Metric 3</strong></td>
</tr>
<tr>
<td>75% of commercial square footage at least 20% better than</td>
</tr>
<tr>
<td>Title 24 by 2012.</td>
</tr>
</tbody>
</table>

Sustainable Communities targets were submitted in Advice Letter 4065-A, and approved on April 20, 2010.

<table>
<thead>
<tr>
<th>San Diego Gas &amp; Electric</th>
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</thead>
<tbody>
<tr>
<td><strong>Target/Metric 1</strong></td>
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<tr>
<td>80% of residential projects at least 35% better than Title 24 by</td>
</tr>
<tr>
<td>2012.</td>
</tr>
<tr>
<td><strong>Target/Metric 2</strong></td>
</tr>
<tr>
<td>20% of new residential construction to be zero net energy by</td>
</tr>
<tr>
<td>2012.</td>
</tr>
<tr>
<td><strong>Target/Metric 3</strong></td>
</tr>
<tr>
<td>75% of commercial square footage at least 20% better than</td>
</tr>
<tr>
<td>Title 24 by 2012.</td>
</tr>
</tbody>
</table>

Sustainable Communities targets were submitted in Advice Letter 2138-E-B/1920-G-B that would be effective May 21, 2010.
### Southern California Edison

<table>
<thead>
<tr>
<th>Target/Metric 1</th>
<th>Total number of square feet of buildings where owners, occupants, and appraisers have been presented with economic, comfort, and productivity cases.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Target/Metric 2</td>
<td>Proposal of business models and supplier infrastructure to deliver integrated and comprehensive “one stop” energy management solutions.</td>
</tr>
</tbody>
</table>

Sustainable Portfolios targets were submitted in Supplement to Advice 2425-E, Southern California Edison Company’s 2010-2012 Energy Efficiency Pilot Programs and subsequently approved on April 30, 2010.
Attachment E
Local Government Partnership Best Practices Information Transfer Template

Pacific Gas and Electric, Southern California Edison, Southern California Gas, and San Diego Gas and Electric

Local Government Partnership Program Work and Progress

<table>
<thead>
<tr>
<th>Partnership Program</th>
<th>Menu Item Addressed</th>
<th>Best Practice Identified</th>
<th>Accomplishment</th>
<th>Contact Person</th>
</tr>
</thead>
<tbody>
<tr>
<td>Pacific Gas and Electric Partnership Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Example: Partnership Name</td>
<td>Example: 1.1.1 – Adopt building energy codes more stringent than Title 24’s requirements</td>
<td>Example: Require new residential and commercial construction to exceed Title 24 energy efficiency standards to extent permitted by law.</td>
<td>Example: Architecture 2030 was passed by the city to exceed Title 24 2005 requirements by 10%.</td>
<td>Example: Jane Doe (555) 555-5555 <a href="mailto:Jane.doe@city.org">Jane.doe@city.org</a></td>
</tr>
<tr>
<td>Southern California Gas Partnership Programs</td>
<td></td>
<td></td>
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<tr>
<td>Southern California Edison Partnership Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>San Diego Gas and Electric Partnership Programs</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Interview Questions:
The following questions may be used by the Statewide Coordinator to discuss the Best Practices with the contact outlined on the previous chart:

1. Please provide a summary of what you hope to accomplish with this activity (goals, objectives).

2. What are the major highlights of the policy/program?

3. Did you estimate the amount of energy that will be saved by this policy/program, and/or the amount of greenhouse gas that will be reduced / avoided?

4. What is the cost to the city/county to operate this program? How many FTE staff persons are needed? What are the sources of funding?

5. What are your next steps, if any?

6. Is this activity part of larger city/county plan for sustainability such as a climate action plan or energy plan?

7. Did you encounter any obstacles during your efforts to adopt/implement this policy or program? Is yes, what were they and how did you overcome them?

8. Have you developed any resources or templates that we can share with other local governments?

9. Have you initiated or do you plan to initiate any energy policy, plan or project as a result of your interaction with Utility supported programs (e.g., SEEC or PG&E’s Green Communities Program)?

10. Do you know of other cities/counties that have a similar policy/program?
In the Commercial Direct Install subprogram Program Implementation Plan (PIP), section 6b, “Program delivery and coordination,” discusses the management structures in place to ensure linkages between subprograms and to minimize lost opportunities. As noted in section 6b, such structures include:

- Requirement that direct install contractors provide customers with information on statewide programs and offerings such as deemed measure incentives, where applicable;
- Requirement that direct install contractors provide customers with information on statewide and local WE&T opportunities;
- Program interactions include close coordination with local governments and faith- and community-based organizations;
- Marketing of IDSM options other than energy efficiency measures;
- Marketing of non-IOU programs that promote IDSM options; and
- Work with Energy Division to develop a comprehensive EM&V plan.
The following response was provided by SDG&E in its January 22, 2010 Advice Letter 2138-E/1920-G Attachment C with an effective date of May 21, 2010. SoCalGas provided a similar response in its January 22, 2010 Advice Letter 4065-A Attachment C, and approved April 30, 2010.

SDG&E and SoCalGas’ Customer Programs organization is responsible for the oversight and implementation of the Energy Efficiency (EE) Programs and Demand Response Programs (DRP, SDG&E-only). The department was reorganized in 2006 such that the EE and DR programs are managed as follows: with a Residential segment supervisor, a Commercial segment supervisor, an Industrial segment supervisor, all under the Residential/Commercial/Industrial/Agricultural Segment Manager (SoCalGas only); a New Construction segment Manager (SDG&E and SoCalGas—referred to as Dual-Utility function); Engineering Support Manager (Dual-Utility function); Codes & Standards Manager (Dual-Utility function); Partnership Manager (Dual-Utility function); Market Analysis (now Strategic Planning; Dual-Utility function); Policy & Support Manager (Dual-Utility function) and Emerging Technologies (ET) Manager (Dual-Utility function); SDG&E Residential Segment Manager (EE and DRP) and SDG&E Com/Ind/Ag Segment Manager (EE and DRP). These Managers, with the exception of the ET Manager\(^1\) report to the Customer Programs Director, who is responsible for the administration and implementation of Energy Efficiency and Demand Response program portfolios at both

\(^1\) The ET Manager reports administratively to an RD&D department but program management is under the oversight of the Customer Programs Director.
SoCalGas and SDG&E.

Moving forward into 2010, SoCalGas and SDG&E are enhancing their comprehensiveness and integration by restructuring how programs are designed and managed. In the past its programs were managed across the residential and non-residential markets uniformly. Beginning in 2010, the program management staff will consist of two primary groups—the segment advisors and the program advisors. The segment advisors will be responsible for segments rather than specific programs. The goal is for segment managers to be even more knowledgeable about the needs of customer segments (residential owners and renters; non-residential manufacturing, agricultural, hospitality, foodservice, institutional, etc) and increase market penetration through segment specific marketing and outreach and data gathering. This additional step of segmentation enhances the company’s ability to design program and communications/outreach materials geared towards managing the customer’s energy needs in a comprehensive manner rather than the traditional piecemeal of offering independent programs. This approach will encourage segment advisors to first understand a customer’s energy needs and offer assistance consistent with the loading order of the Energy Action Plan. Consolidate potential studies information, EM&V study results and research will be part of the segment advisors’ task. Employees will receive proper training and have opportunities to improve their jobs skills to effectively manage the market segments assigned to them. Program Advisors, on the other hand, will be focused on managing the administrative aspects of the program to ensure that the programs are implemented efficiently and within budget.

Another enhancement to the organization structure is the creation of a new position, the Manager of Program Operations. This Manager is responsible for day-to-day program
implementation for both SDG&E and SoCalGas’ Residential, Commercial, Industrial, Agricultural, New Construction programs. In addition, the Engineering, Inspections, Processing and Information Center are under his oversight. This ensures that direct program support functions are coordinated with the program needs.

The EM&V section (Joint-Utility) is managed under the Policy and Support Manager. The EM&V section has always engaged program staff in the development of study needs (e.g., processes evaluations, work paper development and load impact studies) and the dissemination of study results. The EM&V section consolidates program staff feedback to draft evaluations, such as the 2006-2008 draft load impact studies, so that the responses are comprehensive and consistent.

Because all the Managers report to one Director for both SDG&E and SoCalGas, lessons learned and information sharing is a natural part of staff discussions and meetings. Managers, in turn, disseminate this information to their respective groups.

SDG&E is always represented in all Statewide Teams and therefore shares in the process of information sharing and dissemination. A good example is the sharing of natural gas measures and associated work papers that were developed by the Engineering team.
The development of the Program Performance Metrics (PPMs) is the last stage of a three stage process. In the first stage, IOU program managers were asked to respond to recommendations from 1) 2006-2008 impact evaluation reports; 2) 2006-2008 process evaluation reports; and 3) 2006-2008 market assessments. In the second stage, the IOU program managers were asked to update their logic models if any of the recommendations they adopted would necessitate a change to their program(s).

The following are detailed explanations of the criteria used to develop the PPM Selection Process diagram below. These explanations are indexed to the rows of boxes in the diagram. The Program Performance Metric Selection Process was used by the IOU program managers to develop PPMs, drawing from, in most cases, the “Short-term Outcomes” depicted in the respective program logic models.

A1) Jeanne Clinton provided guidance to the IOUs to reduce number of possible metrics by focusing on program outcomes, not activities or linkages (in the logic model).

A2) On February 25, 2010, ED and the IOUs agreed that PPMs for the Strategic Plan support activities should only focus on Short-Term Outcomes, because those outcomes were within the control of the utility.

A3) On February 25, 2010, ED asked IOUs to consider PPMs that track the adoption of recommendations that arose from evaluation reports.

B) IOUs were directed by ED not to rely upon EM&V and market assessment studies to provide data for the PPMs. Because of this, and because program outcomes often could not be meaningfully tracked on an annual basis, program managers were directed to consider program outputs and activities as possible proximal indicators and PPM candidates.

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2 Via email from C. Fogel on 4/20/10.
C) Program managers were asked to identify the source of the PPM whenever possible.

D) Program managers were asked to consider the PPM criteria in Appendix 2 of the Decision, as broken down into the five elements in E.

E1) Is this PPM useful for program management?

E2) Does the PPM seem to measure what it claims to measure, prima facie?

E3) Remove overlapping PPMs and roll up metrics. The Decision allows the metrics for subprograms to be combined into one PPM for the program whenever reasonable. Also, per the IOUs’ discussion with ED, the IOUs understood that if a PPM for a program outcome encompassed the end result of all the activities and outputs leading up to the outcome, then there was no need for PPMs on the interim steps.3

E4) Did the IOUs have a data trail for each PPM?

E5) Was the cost of collecting the data for the PPM cost-prohibitive?

F) Overall review of PPMs for balance and relevance

G) IOUs were directed by ED not to rely upon EM&V and market assessment studies to provide data for the PPMs.

H) Fill out the Excel spreadsheet provided by ED on March 15, 2010. This spreadsheet replaces all other deliverables required in the Decision.

I) Per the Decision’s required process for determining PPMs, and per the March 15, 2010 spreadsheet, the program managers put forth objectives for the PPMs. Per the Decision, IOUs tried to propose SMART objectives. Any objectives that could not be defined according to SMART criteria were rejected, as were their associated PPMs.

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3 Per phone call between ED and the IOUs on 4/19/10.
J) The statewide regulatory teams and respective management made the final determination of the PPMs to be filed, focusing mainly on criteria in E and F.
Program Performance Metric (PPM) Selection Process
(See Performance Indicator Worksheet)

1. Focus on Outcomes (not Activities) in Sub-program and SW Program Logic Models (A1)
   - Identify Interim Milestones for Outcomes, if Outcomes are Not Easily Achieved (B1)

2. List Strategic Plan Outcomes (Goals) Supported by the Program (A2)
   - Identify Interim Milestones for Outcomes, if Outcomes are Not Easily Achieved (B2)

   - Identity Outcomes (and Milestones if Necessary) of Adopting Recommendations (B3)

4. Create PPM Candidates, and Label Source of PPM (Logic Model, Strategic Plan, or Evaluation Recommendation) (C)

5. Review PPM Criteria per Appendix 2 (SEU Method) (D)
   - Meaningful to Managers, Policy Makers, and Other Relevant Stakeholders? (E1)
   - High Degree of Face Validity? (E2)
   - Unique and Relevant (e.g., Not Redundant or Tangential)? (E3)
   - Clear Data Trail Available? (E4)
   - Favorable Trade-off Between Quality of PPM and Cost of Data Collection? (E5)

6. Review List of PPMs to Develop Balanced Sets of PPMs while Avoiding Redundancy or Tangentially Related Measures
   - Roll up or combine PPMs wherever feasible
   - ED likes PPM for training or bonuses (additional incentives, "kickers", "sweeteners") (F)

7. Set Aside PPMs for Issues that Will Undergo Impact Evaluation (G1)
   - Set Aside PPMs for Issues that Will Undergo Process Evaluations (G2)
   - Set Aside PPMs for Issues That Will Require Market Assessment (G3)

8. Populate Performance Indicator Worksheet with Suggested PPMs (H)

9. Program Managers Set Achievable and Cost-effective SW or IOU-Specific Program Goals (I)

10. SW Regulatory Team Selects Final PPMs (J)
Aglet
Alcantar & Kahl
Ameresco
Anderson & Poole
Arizona Public Service Company
BART
BP Energy Company
Barkovich & Yap, Inc.
Bartle Wells Associates
Bloomberg New Energy Finance
Boston Properties
C & H Sugar Co.
CA Bldg Industry Association
CAISO
CLECA Law Office
CSC Energy Services
California Cotton Ginners & Growers Assn
California Energy Commission
California League of Food Processors
California Public Utilities Commission
Calpine
Cameron McKenna
Caser, Steve
Chris, King
City of Glendale
City of Palo Alto
Clean Energy Fuels
Coast Economic Consulting
Commerce Energy
Commercial Energy
Consumer Federation of California
Crossborder Energy
Davis Wright Tremaine LLP
Day Carter Murphy

Defense Energy Support Center
Department of Water Resources
Department of the Army
Dept of General Services
Division of Business Advisory Services
Douglass & Liddell
Downey & Brand
Duke Energy
Dutcher, John
Economic Sciences Corporation
Ellison Schneider & Harris LLP
Foster Farms
G. A. Krause & Assoc.
GLJ Publications
Goodin, MacBride, Squeri, Schlotz & Ritchie
Green Power Institute
Hanna & Morton
International Power Technology
Intestate Gas Services, Inc.
Los Angeles Dept of Water & Power
Luce, Forward, Hamilton & Scripps LLP
MAC Lighting Consulting
MBMC, Inc.
MRW & Associates
Manatt Phelps Phillips
McKenzie & Associates
Merced Irrigation District
Mirant
Modesto Irrigation District
Morgan Stanley
Morrison & Foerster
NRG West

New United Motor Mfg., Inc.
Norris & Wong Associates
North Coast Solar Resources

Occidental Energy Marketing, Inc.
OnGrid Solar
Praxair
R. W. Beck & Associates
RCS, Inc.
Recon Research
SCD Energy Solutions
SCE
SMUD
SPURR
Santa Fe Jets
Seattle City Light
Sempra Utilities
Sierra Pacific Power Company
Silicon Valley Power
Silo Energy LLC
Southern California Edison Company
Sunshine Design
Sutherland, Asbill & Brennan
Tabors Caramanis & Associates
Tecogen, Inc.
Tiger Natural Gas, Inc.
Tioga Energy
TransCanada
Turlock Irrigation District
U S Borax, Inc.
United Cogen
Utility Cost Management
Utility Specialists
Verizon
Wellhead Electric Company
Western Manufactured Housing
Communities Association (WMA)
eMeter Corporation