

**SOUTHERN CALIFORNIA GAS COMPANY**  
**ENERGY SAVINGS ASSISTANCE AND CALIFORNIA ALTERNATE RATES FOR**  
**ENERGY PROGRAMS & BUDGETS FOR PROGRAM YEARS 2021-2026**

(A.19-11-006)

(CALADVOCATES-ESA-CARE-SCG13)

RECEIVED: AUGUST 13, 2020

SUBMITTED: AUGUST 21, 2020

**QUESTION 1:**

Please provide the annual authorized budget and actual expenses for the multifamily programs, using the Table A-1a ESA Budget (Multifamily only) as the template.

- a. Please provide the annual authorized budget for the multifamily programs from 2015 through 2020.
- b. Please provide the annual actual expenses for the multifamily programs from 2015 through 2020. Please project the expense for PY2020.
- c. Please state that which years include the budget/expenses for the common area measures (CAM) initiatives.
- d. In addition to CAM initiatives, what MF programs/treatments are included in the reported budget and expenses? Please describe.
- e. Please explain the causes for differentials between the authorized budget and actual expenses in each budget category.
- f. Please compare the actual expenses from 2015 through 2020 with the proposed budget from 2021 through 2026 (i.e. Table A-1a ESA Budget, Multifamily only in the 2021- 2026 Application) and explain the causes for differentials between the 2015-2020 actual expenses and the 2021-2026 proposed budget in each budget category.

**RESPONSE 1:**

	MF (in-unit)					
	2015	2016	2017	2018	2019	2020*
Annual Authorized Budget	n/a	n/a	n/a	n/a	n/a	n/a
Annual Actual Expenses	\$4,129,546	\$4,829,241	\$10,797,032	\$11,120,583	\$13,782,704	\$7,284,994

\* Expenses for 2020 are projections.

	MF CAM					
	2015	2016	2017	2018	2019	2020*
Annual Authorized Budget	n/a	n/a	\$4,500,000	\$4,500,000	\$4,500,000	\$4,500,000
Annual Actual Expenses	n/a	n/a	\$17,520	\$223,581	\$1,419,267	\$1,940,000

\* Expenses for 2020 are projections.

- a. SoCalGas' ESA Program *does not* have a separate annual authorized budget for multifamily "in-unit" (MF in-unit) treatments for program years 2015 through 2020 as requested. The authorized annual budget for multifamily common area measures (MF CAM) was approved

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beginning in 2017. Please refer to the table above for the 2015 through 2020 *annual authorized budget data* for MF CAM.

- b. SoCalGas' actual direct implementation expenses for MF in-unit and MF CAM treatments are provided in the table above.
- c. See table above for years which include the budget/expenses for MF CAM initiatives.
- d. Other than MF CAM initiatives, the only other multifamily treatments that SoCalGas' ESA Program performs is MF in-unit treatments, which *does not* have a separate annual authorized budget for program years 2015 through 2020. Please see table above for MF in-unit expenses for program years 2015 through 2020.
- e. Because SoCalGas' ESA Program *does not* have a separate authorized annual budget for MF (in-unit) treatments there is no differential between authorized budget and actual expenses to explain.

A cause for the differential between MF CAM authorized budget and expenses is due to full CAM implementation beginning in 2018. D.16-11-022 directed that the IOUs solicit stakeholder input through the Multi-Family Working Group (MFWG). Quarterly MFWG meetings were held throughout 2017. D.17-12-009 directed IOUs to file a Tier 2 Advice Letter (AL) with MF CAM implementation plans on March 1, 2018. Upon approval of its AL 5264 on March 31, 2018, SoCalGas began moving forward with program implementation.

Another reason for the differential between MF CAM budget and expenses was the complexity of projects SoCalGas undertook as part of the pilot. Consistent with its MF CAM Implementation Plan, SoCalGas' primary focus was boiler replacement for central water heating and space heating. These types of projects require detailed engineering, specialized contractors engaged through a Request For Proposal (RFP) process and longer installation timelines than typical ESA Program measures. As a result, the number of projects completed was less than originally forecasted due to the longer overall timelines associated with these types of projects.

- f. As shown in the tables below, each proposed MF in-unit annual budget is higher than any of the previous single year's expenses. Expenses have increased year after year culminating in the most recent full year (program year 2019) expenses being nearest to those proposed budgets. This continued growth in direct implementation costs in the multifamily sector demonstrates an increase in the number of MF in-unit treatments completed as the program cycle aged. When developing these budgets, SoCalGas based its assumptions that treatments would be similar to the most recent full program year.

Another reason for the differential between actual expenses and proposed budgets is due to a difference in which expenses are captured in the MF Energy Efficiency Totals over the two budget cycles. In the current program cycle, MF CAM expenses are considered below-the-line expenses, this means that they are not included in the MF Energy Efficiency Total

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expense category. However, in the proposed budget, MF CAM expenses have been rolled into the direct implementation costs captured in the above-the-line MF Energy Efficiency Total budget proposal. Because of this difference, it becomes difficult to compare these two sets of data.

Finally, the proposed budget includes a newly proposed multifamily program, the Multifamily Whole Building (MFWB) Program, that has no historical expenses with which to compare it to. Proposed third-party design and implementation costs are reflected in the proposed annual budgets as below-the-line costs.

	2015 - 2020 Expenses					
	2015	2016	2017	2018	2019	2020*
<b>MF Energy Efficiency Total</b>	\$4,129,546	\$4,829,241	\$10,797,032	\$11,120,583	\$13,782,704	\$7,284,994
MF (in-unit)	\$4,129,546	\$4,829,241	\$10,797,032	\$11,120,583	\$13,782,704	\$7,284,994
<b>MF CAM</b>	n/a	n/a	\$17,520	\$223,581	\$1,419,267	\$1,940,000

\* Expenses for 2020 are projections.

	2021 - 2026 Proposed					
	2021	2022	2023	2024	2025	2026
<b>MF Energy Efficiency Total</b>	\$21,434,238	\$21,128,506	\$20,835,288	\$20,537,138	\$20,215,208	\$19,869,978
MF (in-unit)	\$15,869,926	\$15,563,195*	\$15,268,852*	\$14,969,512*	\$14,646,409*	\$14,300,025*
MF CAM	\$5,564,312	\$5,565,311*	\$5,566,436*	\$5,567,626*	\$5,568,798*	\$5,569,953*
<b>MFWB Program</b>	n/a	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000	\$4,000,000

\* Minor discrepancies, of no more than \$11 under and \$52 over, were discovered in filed proposed Program Budget Application tables compared to SoCalGas' workpapers, as provided to CalPA. The workpaper data is correct, and the figures above reflect the correct proposed budgets for MF in-unit and MF CAM. SoCalGas will file an errata to correct this table in its filed application to match the workpaper values.