

SOUTHERN CALIFORNIA GAS COMPANY
ENERGY SAVINGS ASSISTANCE & CALIFORNIA ALTERNATE RATES FOR
2021-2026 ENERGY PROGRAMS AND BUDGETS
(A.19-11-006)
(DATA REQUEST CALADVOCATES-ESA-CARE-KS6-SCG-04)
RECEIVED: MARCH 9, 2020
DATE SUBMITTED: MARCH 26, 2020

QUESTION 1:

For the period 2015-present, please describe any process controls in place to identify unexpected volumes of ESA products installed.

- a. What variance analysis is in place (if any) to identify unexpected volumes of ESA products installed?
- b. What type of variance would trigger a more in-depth review? For example, if one zip code saw a 15% increase from one month to the next, would that trigger an internal investigation to understand the increase?
- c. Please provide a narrative description of the control process.
- d. To the extent SCG has established criteria/threshold(s) for determining if additional scrutiny/investigation is necessary, please describe how the criteria/threshold(s) were established, including the analytical basis for setting the criteria/threshold(s).

RESPONSE 1:

- a. SoCalGas does not have a formal process to review variance of individual measure installations, either by geography or by contractor. Unusual patterns in measure installation or other aspects of contractor activity are investigated, whenever identified based on communications with contractors, review of expenditures, or in the preparation of monthly reports.
- b. SoCalGas does not have a formal process that would include a specific threshold to trigger an in-depth review.
- c. In 2012, SoCalGas adopted a monthly control process at the energy efficiency (EE) subcategory level. Under this process, if a particular EE budget category or subcategory, such as enclosure, is projected to be depleted by year-end, the issue is raised to the attention of the ESA Program operations manager.
- d. In implementing the control described at item c. above, the threshold requiring additional scrutiny is that a budget category is projected to be fully depleted by year-end based on monthly results. This threshold was established in 2012 for the purpose of ensuring that budget concerns can be raised to the attention of leadership, and if necessary, to the Commission, so that adjustments can be made to avoid a need to curtail the program on short notice.

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QUESTION 2:

Provide all Quality Assurance and/or Quality Control (QA/QC) policies and procedures in place for SCG's energy efficiency programs from the time period from 2015 to present.

- a. Does SCG have dedicated personnel responsible for QA/QC of the ESA programs? If so, please provide the full-time equivalents (FTE) by year from 2015 to present, including the associated job titles for each position.
- b. Please describe any statistical analysis that is used as part of the QA/QC (from 2015 to present).

RESPONSE 2:

SoCalGas follows the policies & procedures found in Section 8 of the Statewide Energy Savings Assistance Program 2017-2020 Cycle Policy and Procedures (P&P) Manual. In earlier years, SoCalGas followed the procedures provided in the predecessor P&P Manual.

- a. SoCalGas has one Full Time Employee (FTE) (Project Manager II) responsible for managing ESA Program inspections.
- b. SoCalGas reviews contractor pass rates annually. Contractor pass rates are used to adjust inspection frequencies in compliance with the P&P Table 8..

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QUESTION 3:

For the period 2015-present, to what extent did SCG perform “spot checks” (e.g., pulling and reviewing random invoices or inspecting installations) to verify if ESA measures were appropriately provided to eligible households?

- a. What analysis (including statistical modeling) was used to determine which vendors/measures should be subject to inspection/spot-check? (How did SCG determine which households/contractors would be subject to additional review and verification?)
- b. Who performed the review/verification/spot-check? Did utility personnel or hired contractors review/verify/spot-check, and if contractors, were those contractors different than the contractors responsible for delivering that measure?
- c. If utility personnel, please provide the FTEs dedicated to such review, by year, from 2015 to present.
- d. If contractors, please provide a copy of all contracts in effect for any portion of 2015 to present.
- e. Please describe if/how the process in Questions 1, 2, 3 above have changed from 2015 to the present. In particular, identify policies and procedures, budgets, and activities that have changed (increased or decreased, added/eliminated). Please identify the year each change occurred.

RESPONSE 3:

SoCalGas utilizes contractor pass rates in conjunction with Table 8.1 from the ESA Program P&P Manual to calculate random inspection rates.

- a. Per the ESA Program P&P Manual, jobs including attic insulation or furnace replacement are selected for inspection. Jobs that do not include attic insulation or furnace replacement are subject to random inspection.
- b. SoCalGas utilizes third party contractors to perform post installation inspections. Inspection contractors are different from the measure installation contractors
- c. SoCalGas does not use utility employees to conduct these inspections.
- d. SoCalGas currently uses three separate contractors to perform post installation inspections in the service territory. Contracts covering years 2015 through present are attached. See Attachment A: Cal Advocates-ESA-CARE-KS6-SCG04.
- e. SoCalGas has utilized the same process from 2015 to the present.

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QUESTION 4:

For each ESA measure, please provide your inspection budget, by year, from 2015 to present.

- a. How many inspections have been performed for each ESA measure, by year, from 2015 to present?

RESPONSE 4:

Inspection budgets, expenditures, and total inspections performed by year are provided in the table below. When inspections are performed, they cover all measures provided in a given installation workflow step. A workflow step may include all weatherization measures installed on a given enrollment, or appliance repair or replacement work. Inspections are not performed for individual measures.

SoCalGas' ESA Program Inspection Budgets and Expenditures

Program Year	Budget	Expenditures	Inspections
2015	\$ 3,361,051	\$ 1,604,154	21,720
2016	\$ 3,361,051	\$ 1,118,244	15,157
2017	\$ 2,509,088	\$ 1,452,338	22,489
2018	\$ 3,453,222	\$ 1,432,968	22,939
2019	\$ 3,629,519	\$ 1,585,779	24,443
YTD Feb 2020	\$ 3,805,380	\$ 167,185	1,789

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QUESTION 5:

Regarding the refrigerator measure for the period 2015-present, please identify:

- a. The controls in place to ensure the eligible refrigerator was installed;
- b. The controls in place to insure the appropriate/qualifying refrigerator was removed/replaced; and the method for determining where/how to perform verification for items 5a and 5b, above.

RESPONSE 5:

SoCalGas does not have a refrigerator measure.

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QUESTION 6:

For the period 2015-present, please describe if SCG's control processes (of the types described in the questions above) identified contractors that were found to be in noncompliance with SCG's policies or existing contracts, and if any of those entities had their contracts terminated or modified as a result of the investigations.

- a. Please provide the name of the retailers/contractors that had contracts terminated and the year the contract was terminated. Please indicate if that contractor had its contract reinstated, and if so, what year it was reinstated, as well as any information describing why SCG determined it was prudent to reinstate the contract.

RESPONSE 6:

SoCalGas has not identified contractors out of compliance with SoCalGas policies or existing contracts, as a result of the control processes discussed above, and did not terminate any contracts on such basis.

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QUESTION 7:

For questions 1-6, if any changes are expected for the proposed 2021-2026 cycle, please provide an answer to the same questions as above but with responses applicable to 2021- 2026.

RESPONSE 7:

SoCalGas has not identified any changes to the above-described processes that would be implemented in the 2021-2026 cycle.