

ESA Bridge Funding Requirements

D.19-06-022

- **OP 4.** On April 15, 2021 the four large Investor-Owned Utilities Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company shall **submit a second tier 1 Advice Letter documenting retreatments and budgets associated with the interim progress milestone identified in Section 5 of this Decision and overall bridge budget and retreatment goal.**
- **OP 5.** Budget per treatment is based on average annual expenditures for the first half of 2019 - An interim progress milestone was established that required half of the bridge goal be treated by March 31, 2021 with enough budget to treat the remaining homes by June 30, 2021. Energy Division shall reject the April 15, 2021 Advice Letter if the filing utility fails to demonstrate it 1) has met the interim progress milestone to meet or exceed half of the bridge retreatment goal set forth in the Energy Savings Assistance (ESA) Bridge Calculations Advice Letter in the period January 1, 2021-March 31, 2021; or 2) the fraction of remaining bridge budget for retreatments (after setting aside administrative costs) is less than the fraction of remaining retreatments necessary to meet bridge retreatment goal. If the California Public Utilities Commission has not voted on the ESA applications by May 16, 2021 and Energy Division has not rejected the April 15, 2021 Tier 1 Advice Letter, bridge funding for the remainder of 2021 is approved.
- **OP 6.** The four large Investor-Owned Utilities Pacific Gas & Electric Company, Southern California Edison Company, San Diego Gas & Electric Company, and Southern California Gas Company are **authorized to carry over and spend remaining funds from prior years for authorized Energy Savings Assistance program activity that has not been completed, if the California Public Utilities Commission has not yet approved post 2020 budgets through a decision on the IOUs' filed applications.**

SoCalGas ESA Program Bridge Funding

SoCalGas AL 5501-A Budget			
	5 Year Annual Average (Actual)	2019 (Actual)	Jan – June 2021 (Bridge Fund Authorized)
Budget	\$83,798,119	\$111,539,060	\$67,066,667
Jan – June 2021 Re-Treatment Goal	1st Quarter	2nd Quarter	Total
Homes Treated	30,000	30,000	60,000

- **Pre-COVID-19:** The requirement of having an interim progress milestone required that SoCalGas develop a conservative estimate of what could be accomplished during the bridge funding period. SoCalGas forecasted 110k to 120k for 2019 and therefore, 10,000 per month during the bridge seemed reasonable.
- **TODAY:** SoCalGas' ESA Program is producing an unprecedented level of program activity towards the end of the year.
 - Continued emphasis on first time treatments has resulted in most of the treatments being first time treatments.
 - August: 8,081 (1st time: 4,839; Re-treated: 3,242)
 - September: 10,271 (1st time: 6,645; Re-treated: 3,626)
 - October: 12,826 (1st time: 8,750; Re-treated: 4,076)
 - November: 16,995 (est.) (1st time: 12,276; Re-treated: 4,719)

PG&E ESA Program Bridge Funding



Authorized and Revised Request for Jan.-Jun. 2021 Home Treatment Goals

ESA Households Treated	Authorized Jan. 1 - Jun. 30, 2021 ¹ Households Treated			Revised Jan. 1 - Jun. 30, 2021 ² Households Treated		
	Total	Q 1 - 2021	Q 2 - 2021	Total	Q 1 - 2021	Q 2 - 2021
Total Home Treatment	34,500	17,250	17,250	42,856	21,428	21,428

2021 Bridge Funding Authorized Budget and Revised Budget Request

ESA Budget Category	Authorized Bridge Funding Program Year (6 months) ¹						Revised Bridge Funding Program Year (6 months) ²					
	Projected	Admin % of Total	Projected	Admin % of Total	Projected	Admin % of Total	Projected	Admin % of Total	Projected	Admin % of Total	Projected	Admin % of Total
		Q1 - 2021		Q2 - 2021		Q1 + Q2 2021 Total		Q1 - 2021		Q2 - 2021		Q1 + Q2 2021 Total
Treatment Budget ³	\$27,889,250		\$27,889,250		\$55,778,500		\$34,644,000		\$34,644,000		\$69,288,000	
Administrative ⁴	\$2,943,881	10%	\$2,943,881	10%	\$5,887,762	10%	\$3,835,035	10%	\$3,835,035	10%	\$7,670,070	10%
Total ⁵	\$30,833,131		\$30,833,131		\$61,666,262		\$38,479,035		\$38,479,035		\$76,958,070	

1. Authorized in ED's Disposition Letter for PG&E AL 4131-G-A/5614-E-A (December 4, 2019). Based on D.19-06-022 Methodology and including .
2. PG&E AL is anticipated to be filed December 2020. The requirement for an interim progress milestone required PG&E to develop a conservative estimate of what could be accomplished during the bridge funding period. An unprecedented level of program activity towards the end of this year has necessitated exploring a regulatory avenue to supplement existing bridge funding and avoid a sharp drop off in the delivery of program services at the start of 2021.
3. ESA Treatment category includes Appliances, Domestic Hot Water, Enclosure, HVAC, Lighting, Miscellaneous, Customer Enrollment, In-Home Education, Implementation, and Pilot, as shown "above the line" on ESA Annual Report Table 1.
4. Administrative category includes Training Center, Inspections, Marketing and Outreach, Studies, Regulatory Compliance, General Administration, and CPUC Energy Division, as shown "below the line" on ESA Annual Report Table 1.
5. Bridge Funding Budget is from 2009-2020 unspent ESA Program funds. Furthermore, PG&E is authorized to carry-over MF CAM committed budget into the 2021 Bridge and incur additional expenses for PPRS credit (approximately \$9.2 M) as authorized in Res-E-5074.

SDG&E ESA Bridge Period

SDG&E’s authorized bridge period request considered greater need due to the COVID pandemic and adjusted the budget request to be **20% higher** than the 5-year average spend for the same January through June time period, with corresponding increases to treatment goals.

For the Period January Through June			
	5 Year Average (Actual)	2019 (Actual)	2021 (Authorized)
Budget	\$8,940,899	\$8,736,035	\$10,729,079

	1st Quarter	2nd Quarter	Total
Homes Treated	2,987	2,987	5,973*

* Goal calculated per D.19-06-022 “the actual average expenditures per retreatment from the first half of 2019 program year, after setting aside no more than each utility’s respective approved cap for administrative program costs.” Jan-Jun 2019 actual average expenditures per retreatment = \$1,473; Budget after administrative “set aside” = \$8,797,845.

SCE ESA Program Bridge Funding

For the Period January Through June		
	2019 (Actual)	2021 (Authorized)
Total Budget	\$40,926,750	\$40,926,750 ¹

2021 Bridge Funding Budget and Retreatment Goal			
2021 Retreatment Budget Excluding Administration	Avg Cost per Home Retreated in 2021, Including New Measures	Retreatment Goal Jan - June 2021	Interim Retreatment Goal Jan - March 2021
\$36,834,075	\$845.55	43,562	21,781

	Authorized Jan – June 2021 Homes Treated ²			Homes Treated Considering COVID Impacts		
	Q1 - 2021	Q2 – 2021	Total	Q1 - 2021	Q2 - 2021	Total
Retreatments	21,781	21,781	43,562 ³	16,553	16,553	33,107 ⁴

OPPORTUNITY 62,271 ⁵	Authorized Jan – June 2021 Homes Treated ²			Homes Treated Considering COVID Impacts		
	Q1 - 2021	Q2 - 2021	Total	Q1 - 2021	Q2 - 2021	Total
First Time Treatments ⁵	N/A	N/A	N/A	11,831	11,831	23,662 ⁶

¹ SCE’s total proposed ESA bridge budget is \$40,926,750 which is the sum of the Energy Efficiency costs (\$36,834,075) and the administrative program costs (\$4,092,675).

² Authorized in ED’s SCE Disposition Letter AL 4053-E/4053-E-A (December 16, 2019).

³ Goal calculated per D.19–06-022 “the actual average expenditures per retreatment from the first half of 2019 program year, after setting aside no more than each utility’s respective approved cap for administrative program costs.” Jan-June 2019 actual average expenditures per retreatment = \$845.55; Budget after setting aside 10% for administration costs = \$36,834,075.

⁴ As of the October 2020 Monthly Report, SCE reported being at 76% of the re-treatment goal. Using this as the operational capacity, SCE expects to be able to treat 33,107 retreatments during the bridge period considering COVID impacts.

⁵ First Time Treatments will be funded using unspent funds. As of the October 2020 Monthly Report, SCE has 62,271 1st touches remaining that will be prioritized in 2021.

⁶ As of the October 2020 Monthly Report, SCE reported being at 38% of the 1st touch goal. Using this as the operational capacity, SCE expects to be able to treat 23,662 1st touches during the bridge period considering COVID impacts.