

**PUBLIC UTILITIES COMMISSION**

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Date: August 2, 2022

To: Southern California Gas (SoCalGas)

From: Rashid Mir and Peter Biermayer, California Public Utilities Commission (CPUC)

Cc: R.13-11-005 Service Lists

Subject: MID-YEAR FEEDBACK - 2022 EX ANTE REVIEW (EAR) PERFORMANCE

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Pursuant to Decision (D).13-09-023, D.15-10-028, D.16-08-019, and D.20-11-013, California Public Utilities Commission (CPUC) Staff and consultants are providing the 2022 Ex Ante Review (EAR) Performance Mid-year Feedback on the investor-owned utilities (IOUs) respective activities as of June 30, 2022. D.20-11-013 placed a moratorium on EAR awards<sup>1</sup> but directed that EAR scoring and evaluation processes shall continue. The mid-year feedback focuses on specific accomplishments and issues or concerns identified as part of ongoing measure package and custom project reviews. This feedback will help the IOUs address these issues for the remaining year.

## I. CPUC Staff Findings 2022 Mid-year Activities Feedback

The following sections of this memorandum provide a description of the findings, including areas of achievement and areas requiring improvement for both custom projects and measure packages review activities.

### A. Custom Projects Review Overview

#### 1. Summary of 2022 Mid-year Achievements

From the period beginning January 2022 to the end of June 2022, of the projects selected for review, no CPUC project review dispositions were issued as of June 30, 2022, for SoCalGas, due to the timing of the project selections.

#### 2. Summary of Areas Requiring Improvement

At this time since no dispositions have been issued, there has been no assessment on what areas are problematic or in need of improvement.

### B. Measure Packages Review Overview

#### 1. Summary of 2022 Mid-Year Achievements

CPUC staff observed strengths in SoCalGas's development and management of measure package submissions in the following area:

- **Collaboration.** SoCalGas engaged with measure package reviewers for three measure packages that required considerable data requests and measure package review follow ups.
- **Leadership.** SoCalGas demonstrated leadership by expanding deemed measure offerings to include two new measure packages. SoCalGas continues to push for new technologies to add into the deemed portfolio.

#### 2. Summary of Areas of Improvement

CPUC Staff highlights the following direction for improvement:

- **Quality.** Several food service measure packages had calculations that could not be duplicated in the permutation review. We encourage SoCalGas to continue to focus on having

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<sup>1</sup> The EAR awards were part of the Efficiency Savings and Performance Incentive (ESPI) awards.

consistent calculations and savings values that the review team can duplicate.

## **II. Discussion**

The following sections of this memorandum provide a detailed description of the findings, including, areas of achievement and areas requiring improvement for both custom projects and measure packages.

### **A. Custom Projects Performance Review**

Each year, CPUC Staff reviews a selected sample of custom project energy efficiency program applications. The review findings and directions to the IOUs are presented in documents referred to as “dispositions”. During the first half of 2022 (January through June) SoCalGas did not have any CPUC project review dispositions issued. All feedback presented below is based on CPUC staff’s observations of discussions with SoCalGas staff in the first half of the year.

The comments below are organized by the five metric areas prescribed in D.16-08-019. No scores are provided for these metrics in the mid-year memo. All feedback provided at this time is qualitative.

#### **1. Timeliness of Submittals**

Six projects were selected for review during the first half of 2022 which had initial project documentation due before June 30, 2022. For the six projects, SoCalGas submitted their initial documents in compliance with the SB1131 timeline, and of those, three projects were submitted before the SB1131 deadline.

#### **2. Content, Completeness, and Quality of Submissions**

No assessment of the content, completeness, and quality of SoCalGas’s custom dispositions has been made at this time as SoCalGas did not have any CPUC project review dispositions during the first six months of 2022.

#### **3. Proactive Initiative of Collaboration**

Commission Staff found that SoCalGas continues to take an active and engaged role in bi-weekly meetings. SCG engages at key points to inform CPUC staff about program updates, such as notifying about the sunset of the California Advance Home Program (CAHP). In addition, SCG engages with to get CPUC staff feedback on interpretation of policy or for guidance on how to handle bi-monthly uploads; for instance, the discussion about when is it appropriate to upload multiple sites for the same customer. Finally, SoCalGas engaged with CPUC staff in submitting one Early Opinion<sup>2</sup> during the first half of 2022.

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<sup>2</sup> Early Opinion reviews allow the PAs to request clarification from CPUC staff of custom project related CPUC policies or rules before submitting a project.

#### **4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)**

Project and measure level disposition performance results reviewed under Metric 2 are used as a proxy for the level of QA/QC occurring by the PA. No assessment of the PA's due diligence, quality assurance, and quality control (QA/QC) has been made at this time as SoCalGas did not have any CPUC project review dispositions during the first six months of 2022.

#### **5. PA's Responsiveness**

When reviewed at a portfolio level, CPUC Staff assesses the time series of rejections and exceptions, the alignment of program policy and procedures with the number of rejections and exceptions based on eligibility and attribution, and the adaption to changes in rules over time. Because SoCalGas had no dispositions issued in the first six months of 2022, CPUC Staff are unable to assess projects performance in 2022 as compared to 2021 and whether any improvements in project submissions are occurring.

### **B. Measure Packages Performance Review**

SoCalGas had five measure packages disposed in the first half of 2022 and has 35 measure packages currently under detailed review. Those measure packages were updates triggered by Resolution E-5152 which included including costs and eTRM permutation and value table updates.

The comments below are organized by the five scoring metric areas created in D.16-08-019. The narrative includes observations common to multiple measure packages and feedback related to the measure package development process as well as direction for future measure packages.

Specific measure package feedback is provided in tables in Attachment A, at the end of this document. The first table, the Measure Package Reviews table provides feedback on the five measure packages that were disposed in the first half of 2022. The second table, the Measure Package Submissions table, lists all measure packages submitted by SoCalGas during the review period that were not scored. The Staff acknowledges that measure package development may have been supported by multiple PAs; however, at the time of this mid-year review, feedback is directed to the submitting PA, with the assumption that they have led the development.

#### **1. Timeliness of Submittals**

SoCalGas has been timely with measure package submissions and responses to measure package comments through the measure log.

#### **2. Content, Completeness, and Quality of Submissions**

SoCalGas updated multifamily measures for the pipe insulation and tank insulation measure packages and residential measures for the water heater pipe wrap in response to Resolution E-5152. Additionally, SoCalGas worked with the review team to approve two new measure packages for multifamily applications of a gas heat pump water heater and solar thermal water heating system. The measure packages data and methods often lacked clear explanation and required meetings and multiple measure package resubmissions with CPUC staff to review and revise.

### **3. Proactive Initiative of Collaboration**

SoCalGas has been proactive to engage with the CPUC staff early and often as in its updates to measure packages. SoCalGas has submitted measure package plans when necessary for new measure packages or when requesting early feedback on measure package revisions. SoCalGas schedules necessary meetings to discuss new data or additional information when requested by CPUC staff. Furthermore, SoCalGas took a lead role in submitting measure packages through the eTRM platform.

### **4. PA's Due Diligence, Quality Assurance, and Quality Control (QA/QC)**

SoCalGas demonstrated their due diligence and QA/QC improvements for updating all PY2023 measure packages per Resolution E-5152.

### **5. PA's Responsiveness**

SoCalGas has demonstrated leadership and responsiveness when introducing new measures, new measure packages, or new data for measure package revisions. They quickly engaged with CPUC staff and were responsive to requests for additional data for the gas heat pump water heater and water heater pipe wrap measure package.

## **III. Attachments**

Attachment A: Measure Package Feedback contains the measure package summary tables showing the qualitative components for each metric.

Questions or comments about the feedback should be directed to Rashid Mir ([rashid.mir@cpuc.ca.gov](mailto:rashid.mir@cpuc.ca.gov)) or Peter Biermayer ([peter.biermayer@cpuc.ca.gov](mailto:peter.biermayer@cpuc.ca.gov)). Note that pursuant to D.13-09-023, CPUC Staff will schedule a meeting with SoCalGas staff to discuss this memorandum.

## Attachment A: Measure Package Feedback

The table below lists the ID numbers associated with each measure package submission or disposition. The PA may refer to the individual dispositions for more detailed descriptions of the specific actions staff required for each measure package. The qualitative feedbacks are designated as follows:

Measure Package Review – All Disposed in 2022			
SW MP ID	Rev	Title	Comments
SWWH017	3	Hot Water Pipe Insulation, Nonresidential and Multifamily	Measure Package updates from E-5152 to include DEER2020 data. Minor error corrections noted.
SWWH018	3	Hot Water Tank Insulation, Nonresidential and Multifamily	Measure Package updates From E-5152 to include DEER2020 data. Comments to address error in "MFm" building savings being mapped to Building "Res". Minor error corrections noted.
SWWH026	2	Water Heater Pipe Wrap, Residential	Measure Package updates from E-5152 with updated CZ2022 weather data, calculations and NTG value. SoCalGas worked closely with reviewers to clarify inputs and assumptions and were proactive with their responses. Measure package approved.
SWWH033	1	Gas Heat Pump Water Heater, Multifamily	New Measure Package with major comments on measure case assumptions, models, baseline, and savings. SoCalGas worked collaboratively to provide post-processing scripts and additional data to the reviewers. Measure package ultimately approved after all questions and comments were satisfactorily addressed by SoCalGas.
SWWH034	1	Solar Thermal Water Heating System, Multifamily	New Measure Package with several minor comments to clarify assumptions, technology details, and baseline conditions. SoCalGas worked quickly to address all comments. Measure package approved.

<b>Measure Package Submittals – All Submitted in 2022</b>		
<b>SW MP ID</b>	<b>Title</b>	<b>Comments</b>
SWWH017-03	Medium or Low-Temperature Display Case	Interim approval.
SWWH018-03	Large Heat Pump Water Heater, Commercial and Multifamily, Fuel Substitution	Interim approval.
SWWH026-02	Low-Temperature Display Case Doors with No Anti-Sweat Heaters	Interim approval.
SWWH033-01	Fan Motor Retrofit for a Refrigerated Display Case	Interim approval.
SWWH034-01	Vending and Beverage Merchandise Controller	Interim approval.
SWFS002-02-3	Door-Type Dishwasher, Commercial	Detailed review in progress.
SWHC011-00-15	Furnace, Commercial	Detailed review in progress.
SWHC048-02-3	Packaged Air Conditioner Heat Recovery, Commercial	Detailed review in progress.
SWWH019-03-3	Faucet Aerator, Commercial	Detailed review in progress.
SWWH004-02-3	Laminar Flow Restrictor, Commercial	Detailed review in progress.
SWWH015-02-3	Demand Control for Centralized Water Heater Recirculation Pump, Multifamily & Commercial	Detailed review in progress.
SWAP004-02-5	Clothes Washer, Residential	Detailed review in progress.
SWAP005-01-2	Ozone Laundry, Commercial	Detailed review in progress.
SWAP006-01-6	Dishwasher, Residential	Detailed review in progress.
SWFS011-04-2	Fryer, Commercial	Detailed review in progress.
SWHC001-02-4	Wall Furnace, Residential	Detailed review in progress.

<b>Measure Package Submittals – All Submitted in 2022</b>		
<b>SW MP ID</b>	<b>Title</b>	<b>Comments</b>
SWHC002-02-2	Intermittent Pilot Light, Residential	Detailed review in progress.
SWHC004-01-15	Space Heating Boiler, Commercial & Multifamily	Detailed review in progress.
SWHC047-00-23	Gas Fireplace, Residential	Detailed review in progress.
SWRE001-00-14	Pool Cover, Commercial	Detailed review in progress.
SWRE003-00-14	Heater for Pool or Spa, Commercial	Detailed review in progress.
SWRE004-02-4	Pool Heater, Residential	Detailed review in progress.
SWWH001-02-4	Faucet Aerator, Residential	Detailed review in progress.
SWWH002-02-6	Low-Flow Showerhead, Residential	Detailed review in progress.
SWWH003-01-6	TSV with and without an Integrated Low-Flow Showerhead, Residential	Detailed review in progress.
SWWH010-01-4	Boiler, Multifamily	Detailed review in progress.
SWWH016-02-3	Domestic Hot Water Loop Temperature Controller, Multifamily & Commercial	Detailed review in progress.
SWWH020-03-4	Low-Flow Showerhead, Commercial	Detailed review in progress.
SWWH023-01-6	Diverting Tub Spout with TSV, Residential	Detailed review in progress.
SWWH028-01-3	Large Heat Pump Water Heater, Commercial & Multifamily, Fuel Substitution	Detailed review in progress.
SWWH033-01-2	Gas Heat Pump Water Heater, Multifamily	Detailed review in progress.
SWAP003-03-2	Clothes Dryer, Residential	Detailed review in progress.
SWFS003-01-4	Combination Oven, Commercial	Detailed review in progress.



<b>Measure Package Submittals – All Submitted in 2022</b>		
<b>SW MP ID</b>	<b>Title</b>	<b>Comments</b>
SWFS013-01-4	Low-Flow Pre-Rinse Spray Valve	Detailed review in progress.
SWFS018-01-7	Undercounter Dishwasher, Commercial	Detailed review in progress.
SWWH005-03-4	Boiler, Commercial	Detailed review in progress.
SWWH006-05-4	Tankless Water Heater, Commercial	Detailed review in progress.
SWWH007-04-2	Storage Water Heater, Commercial	Detailed review in progress.
SWWH012-02-2	Storage Water Heater, Residential	Detailed review in progress.
SWWH013-02-3	Tankless Water Heater, Residential	Detailed review in progress.