

PUBLIC UTILITIES COMMISSION

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2014 Ex-Post Efficiency Savings and
Performance Incentive (ESPI)
**Addendum to the DRAFT Performance
Statement Report**

July 1, 2016

2014 Ex-post Efficiency Savings and Performance Incentive (ESPI) Mechanism

Addendum: Home Energy Reports

This addendum outlines the updates to 2014 ESPI DRAFT earnings as a result of the Energy-Efficiency resource program measure identified by Home Energy Reports (HER). This measure is sometimes referred to by, the largest implementing company, OPower. This addendum directly affects the earnings values for the utilities: PG&E, SCE and SDG&E.

The following table provides a summary of the effects on the total new payment for 2014 ESPI. The first column contains total earnings, including the effects of the Ex-Ante Savings Incentive true up, as provided in Table 1 of the 2014 ESPI DRAFT Performance Statement Report. The second column shows the portion of the Ex-Post Savings Incentive earnings that was coming from HER savings in the DRAFT. Next, the updated total earnings for 2014 HER is provided and a column outlining the net change. Finally, the resulting proposed total new earnings are provided.

Table 1 – Summary of Updated Earning due to Home Energy Reports Adjustments

	June 15th DRAFT - Total	June 15 HER Earnings	Updated HER Earnings	Net Change – HER*	Total New Earnings
PG&E	\$13,547,879	\$407,346	\$480,295	\$72,949	\$13,620,828
SCE	\$11,383,477	\$39,014	\$14,660	-\$24,354	\$11,359,122
SCG	\$2,030,067	\$0	\$0	\$0	\$2,030,067
SDG&E	\$1,970,752	\$0	\$12,255	\$12,255	\$1,983,006
Total Statewide	\$28,932,174	\$446,360	\$507,210	\$60,849	\$28,993,024

* Change reflects changes to proposed earnings only and is not a reflection of HER savings performance.

For each utility, there are many differences in how 2014 HER savings was reported and how HER was included as part of the 2014 ESPI DRAFT Performance Statement Report. For this reason, the treatment of each utility is provided separately.

PG&E

The measure “Home Energy Reports” is listed in D.13-09-023 as an uncertain measure for PG&E as part of the 2014 program implementation year. Additionally, PG&E reported savings on a quarterly basis in 2014 for HER.

As part of the DRAFT Performance Statement, these quarterly claims were included as part of the Ex-Post Savings Incentive using the PG&E reported savings values. Ex-Post Savings Incentive values now use evaluated findings as provide in the report “Review and Validation of

2014 Pacific Gas and Electric Home Energy Reports Program Impacts (Final Report).¹ The following tables demonstrates the changes for electricity, demand and natural gas.

Table 2 – Lifecycle Net Ex-Post Savings from 2014 Home Energy Reports – PG&E

	kWh	kW	thm
June 15 DRAFT Report	90,483,862	15,125	3,080,174
Final	107,703,778	19,534	3,017,243

SCE

The measure “Home Energy Reports” is not on the 2014 ESPI uncertain measure list for SCE. SCE claimed savings for HER in the 2014 claim level data. However, these reported savings represent the ex-post savings values found in the report “Review and Validation of 2013 Southern California Edison Home Energy Reports Program Impacts; ED Res 3.2.”² The commission reads D.13-09-023 to indicate that earnings paid as part of 2014 ESPI should be based upon savings created by resource programs implemented during the program year 2014.

The 2013 ex-post savings values reported in 2014 were mistakenly included in the DRAFT Performance Statement Report savings and earnings values. The database, savings and earnings for SCE are updated now to reflect the savings values found in “Review and Validation of 2014 Southern California Edison Home Energy Reports Program Impacts (Final Report).”³ The following tables demonstrates the changes for electricity, demand and natural gas.

Table 3 – Lifecycle Net Ex-Post Savings from 2014 Home Energy Reports – SCE

	kWh	kW	thm
June 15 DRAFT Report*	8,264,975	2,627	NA
Final	3,496,345	828	NA

* Values based on 2013 ex-post savings reported in 2014

SDG&E

The measure “Home Energy Reports” is not on the 2014 ESPI uncertain measure list for SDG&E and SDG&E claimed no savings for HER in the 2014 claim level data. Since no savings were

¹ http://www.calmac.org/publications/DNVGL_PGE_HERs_2014_FINAL.pdf

² http://www.calmac.org/publications/DNVGL_SCE_HERs_2013_FINAL_20150421.pdf

³ http://www.calmac.org/publications/DNV_GL_SCE_HERs_2014_FINAL.pdf

reported in the claim level data, the DRAFT Performance Statement report did not include any savings or earnings for SDG&E 2014 HER. However, there are 2014 ex-post savings values for SDG&E HER measures as provided in the report “Review and Validation of 2014 San Diego Gas and Electric Home Energy Reports Program Impacts (Final Report).”⁴ These savings values are added to the database and are now included in the updated savings and earnings values as demonstrated in the following table.

Table 4 – Lifecycle Net Ex-Post Savings from 2014 Home Energy Reports – SDG&E

	kWh	kW	thm
June 15 DRAFT Report	0	0	0
Final	3,574,754	0	123,998

⁴ http://www.calmac.org/publications/DNVGL_SDGE_HERs_2014_FINAL.pdf