

**BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA**

Application of San Diego Gas & Electric
Company (U 902 E) For Authority To
Implement Optional Pilot Program To
Increase Customer Access To Solar
Generated Electricity

Application No. 12-01-008
(Filed January 17, 2012)

And Related Matters

Application No. 12-04-020
Application No. 14-01-007

**ANNUAL GTSR PROGRAM PROGRESS REPORT OF SAN DIEGO GAS &
ELECTRIC COMPANY (U 902-E) FOR ACTIVITIES OCCURING IN 2017**

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Pursuant to Decision 15-01-051 (the “Decision”) San Diego Gas & Electric Company (“SDG&E”) files this annual progress report, reporting activity during the 2017 calendar year. The Decision requires the participating utilities to file an annual Green Tariff Shared Renewables (“GTSR”) Program Progress Report¹ every March 15 starting in 2016 and ending in 2019 with the following components:²

- Enrollment reporting, including “available capacity” data at the most detailed level feasible, updated monthly, with the precision of the information increasing over time;
- A one-page summary tracking the amount and cost of generation transferred between the Renewables Portfolio Standard (“RPS”) and GTSR Program;
- A summary of GTSR revenue and costs;

¹ Decision at 182, ordering paragraph 10.

² Decision at 141-142.

- A summary of advisory group or advising network activities, including information regarding frequency of meetings, topics discussed, and any other relevant information;
- A marketing report, containing the elements listed in Section 7 of the Decision³;
- A Community Choice Aggregation (“CCA”) Code of Conduct report, including a summary of marketing or lobbying efforts that are, or could reasonably be interpreted to be, subject to the CCA Code of Conduct;
- Supplier diversity activity;
- A summary of California Alternative Rates for Energy (“CARE”) enrollment, including location of CARE customers in relation to areas eligible for environmental justice (“EJ”) projects or planned EJ projects;
- Reports of fraud or misleading advertisements received through meetings with the advisory group or advising network; and
- If available, customer profile information and a summary of enrollment figures for low-income customers and subscribers who speak a language other than English at home.

SDG&E hereby submits its annual GTSR Program Progress Report for activities occurring in 2017.

I. 2017 AVAILABLE CAPACITY DATA

The Decision sets a target capacity for SDG&E’s collective GTSR Program of 59 MW, with 10 MW reserved to come from EJ facilities and a 10 MW goal for capacity to be available

³ *Id.* at 132-140.

for residential customers.⁴ Table 1 presents the renewable capacity procured specifically for the Green Tariff (“GT”) and Enhanced Community Renewables (“ECR”) components of the GTSR Program.⁵

Table 1. GTSR Procurement Totals (all values in MW)

Category	Target Capacity	GT Procured to Date	ECR Procured to Date	Capacity Remaining
Unrestricted Sources	49	20	0	29
EJ Reservation	10	0	0	10
Totals	59	0	0	39

GTSR customer enrollment data is presented in Table 2, showing 2017 subscribed generation capacity for GT and ECR by month.

Table 2. 2017 GTSR Customer Enrollment Summary (all values in MW)

Month	GT Subscribed Capacity	ECR Subscribed Capacity
January	0.0734	0
February	0.0876	0
March	0.1363	0
April	0.404	0
May	1.032	0
June	2.101	0
July	2.210	0
August	2.358	0
September	2.501	0
October	2.868	0
November	4.262	0
December	4.431	0

⁴ *Id.* at 4-6.

⁵ For reference, SDG&E markets the GT component as EcoChoiceSM and the ECR component as EcoShareSM.

The GT component of SDG&E’s GTSR Program opened for enrollment in November 2016. GT Subscribed Capacity is calculated using 12 months of historical energy usage and the applicable GT subscription level for each enrolled customer. In conjunction with the weighted average capacity factor for all projects included in SDG&E’s Interim Pool, the sum of customer purchased renewable energy is converted into an equivalent amount of renewable generation (i.e. Subscribed Capacity).⁶

Customers with a new service agreement will lack 12 months of historical energy usage. In these instances, the customer’s average monthly energy consumption is calculated and used to estimate the amount of energy the customer is likely to consume over an entire 12-month period. As historical usage for these customers becomes available it will be reflected in the monthly and annual reporting resulting in a more precise estimate of GT Subscribed Capacity.

The ECR component of SDG&E’s GTSR Program did not have any subscribed capacity in 2017. SDG&E held two solicitations in 2017 for GT, ECR and EJ capacity and to date has accepted marketing materials from six interested solar developers who wish to participate in the ECR component.

Available capacity for GTSR customer enrollment is limited in two ways:

1. By the generating capacity of solar facilities procured specifically to serve the GTSR program, since customers “will be served exclusively from those resources” when they are brought online.⁷

⁶ AL 2853-E specifies the facilities currently included in SDG&E’s Interim Pool.

⁷ *Id.* at 41. SDG&E will serve any GT demand in excess of the generation capacity of its dedicated GT project(s) with generation from its Interim Pool until (an) additional dedicated GT project(s) can be brought online to serve this demand.

2. By SDG&E's overall GTSR target of 59 MW, of which 10 MW is reserved for residential customers.

II. GENERATION TRANSFERRED BETWEEN RPS AND GTSR

Customers enrolled in the GT component of SDG&E's GTSR Program purchased 4,391.30 MWh of renewable generation from the GT Interim Pool in 2017. Costs associated with this generation totaled \$406,458 and were calculated by multiplying the purchased renewable generation by the cost per MWh of charges associated with:

- Generation from the GT Interim Pool based on the weighted average contract price of participating facilities;
- Western Renewable Energy Generation Information System (WREGIS); and
- California Independent System Operator (CAISO) Grid Management Charges (GMC).

III. REVENUE AND COSTS

In 2017, SDG&E incurred \$575,148 in non-commodity expenses related to developing and implementing the GTSR Program. Administration expenses are split between the two categories of information technology and program management. Expenses were also incurred in 2017 for marketing, education, and outreach. Table 3 summarizes non-commodity expenses by category and revenues are summarized in Table 4.

Table 3. 2017 GTSR Expenditure Summary (non-commodity)⁸

Memorandum Account	SDG&E Internal Order	Description	2017 Expenditures	Program Total Expenditures
GTSR Administrative Costs Memorandum Account (GTSRACMA)	7078688	GT Information Technology	\$221,593	\$1,253,248
	7078689	ECR Information Technology	\$72,286	\$553,712
	7078690	GT Program Management	\$77,643	\$198,537
	7078691	ECR Program Management	\$31,240	\$86,426
GT Marketing, Education, & Outreach Memorandum Account (GTME&OMA)	7078692	GT Marketing and Outreach	\$172,270	\$260,713
ECR Marketing, Education, & Outreach Memorandum Account (ECRME&OMA)	7078693	ECR Marketing and Outreach	\$114	\$2,828
Total			\$575,146	\$2,355,464

Table 4. 2017 GTSR Revenue Summary (non-commodity)

Memorandum Account	2017 Revenue	Total Revenue
GTSRACMA	\$16,787	\$16,814
GTME&OMA	\$5,163	\$5,172
ECRME&OMA	\$0	\$0
Total	\$21,950	\$21,986

Commodity-related revenues and expenses for the GT and ECR components are recorded in the Green Tariff Shared Renewables Balancing Account (GTSRBA). The GTSRBA recorded a small total under-collected balance of \$5,870 at the end of 2017, which is broken down by subaccount in Table 5.

⁸ In 2017, interest was booked to the GTSR Program memorandum accounts as follows:

GTSRACMA	GTME&OMA	ECRME&OMA	GTSRBA
\$20,348	\$1,658	\$30	\$7

Table 5. 2017 GTSRBA Summary

Account	2017 Revenue	2017 Expenses	(Over) / Under Collection
GT Subaccount	\$401,241	\$407,111	\$5,870
ECR Subaccount	\$0	\$0	\$0
Total	\$401,241	\$407,111	\$5,870

IV. SUMMARY OF ADVISORY GROUP ACTIVITIES

SDG&E scheduled two Advisory Group meetings in 2017. The first was scheduled for April 14th but had to be cancelled due to low participation. In lieu of the April 14 in-person meeting, SDG&E sent an email update to the Advisory Group and solicited feedback on the GTSR Program. Due to the low response rate to that email, SDG&E's outreach team engaged further with business and community-based organizations to spread awareness of the GTSR Program and expand the list of organizations within the Advisory Group.

In October 2017 SDG&E contacted the list of 23 organizations who had previously expressed interest in the GTSR Program and expressed desire to join the Advisory Group. This group was collectively notified of a meeting to be held on November 15, 2017, in which SDG&E would provide a GTSR update and solicit feedback from the attendees. Due to a low level of responses SDG&E offered the meeting through a webinar to make attendance and participation as flexible as possible. Representatives of 7 member organizations participated in the meeting, providing mostly positive feedback on the program offering. A significant amount of interest was directed toward the incremental cost of participation in the GT component and the potential for reducing cost in the future. Participants were also interested in learning about the difficulties of ECR project developers to date. Overall this was informative to both SDG&E as well as the participating organizations and largely confirmed that the GTSR Program should be extended and the changes requested in SDG&E's AL 3168-E should be pursued. SDG&E believes the Advisory Group input was extremely helpful in shaping that filing.

V. **MARKETING REPORT**

In 2017, SDG&E officially launched the GTSR Program's marketing efforts. The overall marketing strategy included educating customers about the program and benefits through a variety of general awareness, education, outreach and targeted direct marketing in order to move customers to act. SDG&E leveraged the 2016 GT market research findings as well as SDG&E's residential segmentation to provide high value target audience information. Promotional activity directed customers to the program's webpage on sdge.com.

Activities and Quantitative Assessment

Awareness/Education

To debut the program and highlight the benefits of enrolling, SDG&E included a bill insert in customer bills, had a robust digital and social media campaign and included program messaging in various newsletters and additional bill messaging. Digital advertising for the program was successful in driving traffic to the program web page. Digital campaigns helped to provide over 125,000 unique page views to the program web page.

Direct Marketing

Email campaigns targeted customers most likely to enroll in the program using segmentation efforts and key findings from the research. On average, the email campaigns had a 35% open rate and a 2.55% click rate. The open rate is similar to SDG&E's other promotional emails but the click rate was lower than expected, an indication the offer wasn't what customers were expecting. Engagement with the emails appeared to be high as customers were spending more than ten seconds reading the emails. Aside from the program's home page on the website, customers spent more time on the cost calculator than any other part of the program's web page. This indicates people are interested in going green, but price is a concern. Overall, approximately 400 leads were generated from email campaigns in 2017.

Outreach

Outreach and engagement through SDG&E's wide network of partnerships and customer relationship management through our team of Account Executives played a crucial role in reaching customers. Outreach efforts included emails, customer phone calls and in-person visits and presentations. Overall, these partners communicated through their broad network of affiliations and supported the program through 249 events, 145 communications, and reaching over 300,000 customers.

- Energy Solutions Partner Network: The Outreach team worked with an already established network of more than 250 community based partners to promote the program. Activities included support for events, presentations and messaging through online and social media channels.
- Chambers, Business and Trade Association Collaboration Packages: SDG&E has partnerships with over 60 Chambers of Commerce, Economic Development organization, Business Improvement Districts and trade associations. These groups help proactively engage customers through activities like events, presentations, and messaging through online and social media channels. In addition, several Chambers of Commerce enrolled in the program as a way to lead by example and support their own environmental goals. Many cited the benefit of having the option to be part of a clean energy initiative without committing to the expense of solar.
- Account Executive Engagement: SDG&E's Account Executives serve as the primary point of contact and manage relationships with many business customers. This includes educating them on programs and services such as GTSR. Account Executives met with customers, in most cases, multiple times and provided guidance

and bill analysis for customers. The group also followed up on leads from email campaigns through phone calls and in person visits.

Overall, enrollment in the program benefitted from multiple channels and touch points. As evidenced by SDG&E's 2016 research, the 2017 price point appeared to be a challenge for some customers. Outreach interactions with customers also indicated customers are hesitant to pay more for their electricity, even if it contains more renewables.

VI. CCA CODE OF CONDUCT REPORT

SDG&E's 2017 marketing and outreach activities were consistent with the Community Choice Aggregation (CCA) Code of Conduct, Decision 15-01-051 and Resolution E-4734.

SDG&E's marketing and outreach efforts were broad and expansive, covering the territory and based on segmentation strategies, not CCA activity.

VII. SUPPLIER DIVERSITY

In 2017 SDG&E had no procurement from diverse business enterprises (DBEs) for the GTSR Program. SDG&E encourages such activity with DBEs, as defined in G.O. 156, to participate in all solicitations. SDG&E has dedicated representatives to provide information for DBEs and assist them in the DBE process. When companies express an interest to participate in a solicitation, SDG&E tracks whether that company is a DBE and follows up with them in future solicitations. In addition, SDG&E makes a significant effort to highlight the importance of DBEs in our bidder's conferences.

VIII. SUMMARY OF CARE ENROLLMENT

In 2017, 161 CARE customers enrolled in the GT portion of SDG&E's GTSR program. These customer service points have been cross referenced with the 20% most impacted communities identified using CalEPA's CalEnviroScreen 2.0 and newer. Out of those 161

CARE customers, 55 are located in areas that are also eligible for an EJ project, as defined in the Decision.⁹

IX. REPORTS OF FRAUD OR MISLEADING ADVERTISEMENT

SDG&E has not received any reports of fraud or misleading advertising concerning the GTSR Program during 2017, nor is SDG&E aware of any such practices at this time.

As stated on the ECR website at www.sdge.com/EcoShare, customers wishing to report such activates can contact SDG&E at 1-800-411-7343 or CTTS@sdge.com.

X. CUSTOMER PROFILE INFORMATION

In 2017, as also mentioned above in Section VIII, 161 customers enrolled in the GT component were identified as CARE, indicating they are low-income. SDG&E also records if residential customers signing up for rates speak a language other than English at home. Through 2017, SDG&E’s residential GT customers were found to fall into the following categories: 77% English speaking, 3% Spanish speaking, and 20% unknown. As stated, the ECR component had no enrollment through 2017, as there are no developers with an ECR Power Purchase Agreement (PPA). Thus, SDG&E has not collected this profile information on ECR participants.

SDG&E requests that the Commission accept this annual progress report.

Respectfully submitted,

SAN DIEGO GAS & ELECTRIC COMPANY

By: /s/ Scott B. Crider
Scott B. Crider
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⁹ Decision at 51.