

Residential Rate Reform

Q2 2017 Progress Report Presentation



A  Sempra Energy utility®



Kelly Prasser

Manager, Customer & Employee Engagement

September 8, 2017

Agenda

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Customer Engagement Highlights

2

High Usage Charge Update

3

Time-of-Use Enrollments

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Opt-in Time-of-Use Pilots

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Default Time-of-Use Pilot

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Regulatory Updates

Customer Engagement Highlights

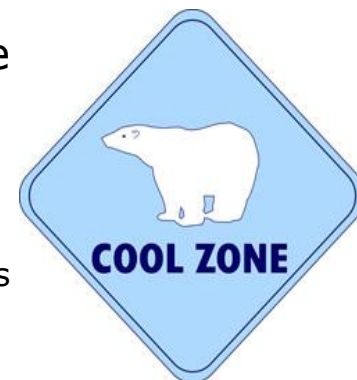
Community Outreach & Engagement

- Energy Solutions Partner (ESP) Network activities totaled **118** for Q2 2017

Partner Results At-A-Glance – Q2 2017

- 71 events reaching 46,000+ people
- 22 presentations reaching 200+ people
- 25 online activities with more than 37,000 impressions

- Leveraging CARE Partners and Cool Zone locations to provide information on Rates & Reform activities
 - Hosted roundtable for Cool Zone location leadership on April 26
 - Cool Zone sites include public libraries, and senior and community centers
 - Sites are countywide and represent diverse communities



Energy Solutions Partner Network Roundtable Events



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Roundtable Overview:

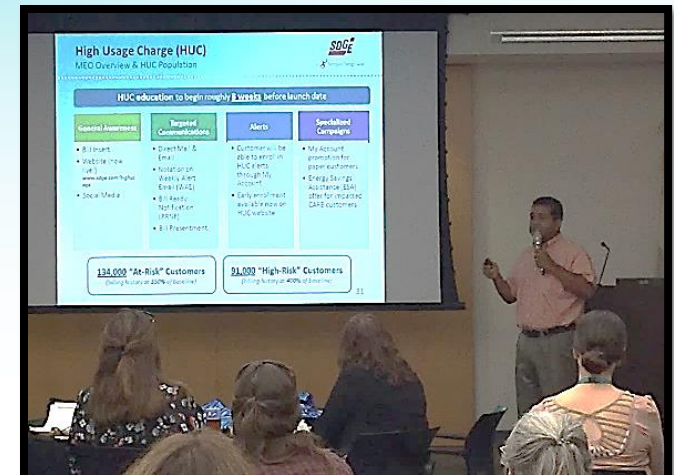
- Provide community-based partners with information on **current energy topics like Rate Reform** as well as seasonal solutions available to customers
- Gives the opportunity for partners to **provide feedback** and **engage on collaborative efforts**

Details:

- First of two roundtables was held on June 28, 2017
- SDG&E's Energy Innovation Center
- * Second one was held on July 11, 2017

Attendance:

- Twenty-five unique community organizations were represented
- Representing a diversity in both communities and constituencies they serve



Educating Energy Solutions Network partners on High Usage Charge and other Rate Reform efforts



Special Needs Roundtable



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When?

- **Date:** May 9, 2017
- **Location:** Department of Rehabilitation, San Diego

Who?

- **Organizations who serve:**
 - Deaf and hearing impaired
 - Blind and site impaired
 - Disabled and physically impaired
 - Mental health
 - Immigrants and Refugees
 - Long-term or in-home care

Why?

- **Update on Rate Reform & Solutions**
 - Time-of-use pricing plans & pilot activities
 - High Usage Charge
 - Energy Management solutions



Updating the Special Needs community on key Rate Reform efforts



Special Needs Roundtable

Event Highlights

- The message of customers **having choice** with their pricing plans resonated
- Attendees also **valued the opportunity to provide feedback** about educational materials needed for the audiences they serve
- Liked idea of serving as an **ambassador to help translate** messaging to their constituents

FAQ's from Attendees

- Will TOU plans provide savings?
- Which pricing plan will be better for customers?
- Will they have other options outside of TOU?

Organizations Represented

Volunteers of America
Reentry Resources 4 Change
Medical Advisory Group
Alliance for African Assistance
KRA – San Diego Workforce Partnership
Catholic Charities
Ocean View Church / Care Pastors
BJ Iglabell Haus (Independent Living Association)
Ruby's House (Independent Living Association)
JoJo's ILS (Independent Living Association)
San Diego Futures Foundation
Family Health Centers of San Diego - Hillcrest Clinic
Department of Rehabilitation - Blind Field Services
Department of Rehabilitation – WIPS
State Council on Developmental Disabilities
Special Needs Resource Foundation
Veterans Community Services
Access to Independence

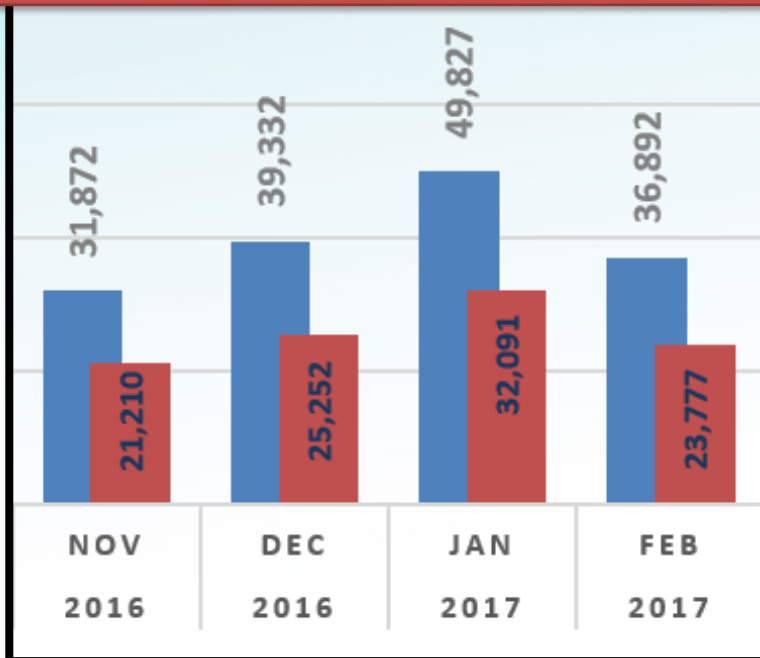
High Usage Charge Overview

High Usage Charge Customer Population

350%-399% (At Risk): **46,000**

400%+ (High Risk): **94,000**

High Usage Charge Impacts by Month



Customer Communications

Website & Pocket Card

June 2017

Online Alerts

August 2017

Bill Insert & Onsert

September 2017

Awareness Letter

September 2017

Reminder Postcard

October 2017

350% and 400% alerts

November 2017

Time-of-Use Customers

SDG&E Customers on Opt-In Time-of-Use Pricing Plans

Pricing Plan	Accounts Enrolled Q2 2016	Accounts Enrolled Q3 2016	Accounts Enrolled Q4 2016	Accounts Enrolled Q1 2017	Accounts Enrolled Q2 2017	Total
Schedule TOU-DR	133	180	104	85	63	1,120
Schedule EECC-TOU-DR-P	554	645	599	479	315	4,649
Schedule DR-TOU	0	-34	-2	-14	-18	1,064
Schedule EV-TOU	2	136	-8	15	17	447
Schedule EV-TOU2	550	484	623	575	338	9,540
Schedule DR-SES	338	397	341	448	535	4,639
Schedule TOUDDRE1	3,741	133	-176	-227	-212	3,259
Schedule TOUDDRE2	6,860	126	-348	-411	-356	5,871
Total	12,178	2,067	1,133	950	682	30,589

Opt-In Pilot Plans

**Total:
9,130**

Note: TOUDDRE3 (HourX) currently has 61 customers enrolled

TOU Pilot Communications



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Plan 1

Summer E1 Whenergy prices increase, May 1.

The summer season is on its way, which means prices are dramatically higher during on-peak hours. Shifting your cooling and other energy use away from the on-peak times can add up to significant savings. If you haven't already, be sure to sign up for free Whenergy Alerts to see your energy use and monitor your cost goals.

ENERGY-SAVING ACTIONS:

- Pre-cool your home and use fans to circulate the cool air.
- If you have an in-ground water heater, be sure to turn water heaters off during off-peak times.
- Shift use of major appliances to off-peak times (dinner and laundry).

Summer Price Per Kilowatt Hour*

Super Off-Peak	Off-Peak	On-Peak
32¢	38¢	62¢
10¢	16¢	39¢

*To calculate your savings, go to sdge.com/MyWhenergy. Summer prices are effective from May 1, 2017 to October 31, 2017. Questions about your pricing plan and options? Call (800) 417-7343.

Bill protection expires on the anniversary of your enrollment between June and July. The study doesn't end until December so it's important to stay on Whenergy to receive your final survey credit. The survey will be sent to you later this summer.

Low Use

Summer E2 Whenergy prices increase, May 1.

The summer season is on its way, which means prices are dramatically higher during on-peak hours. Shifting your cooling and other energy use away from the on-peak times can add up to significant savings. If you haven't already, be sure to sign up for free Whenergy Alerts to see your energy use and monitor your cost goals.

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Plan 2

Summer E1 Whenergy prices increase, May 1.

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Tech

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Summer Rate Change Education Pricing Plans 1 & 2

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The summer season is on its way, which means prices are dramatically higher during on-peak times. It also means a greater reward for shifting your use away from on-peak hours. Managing your A/C use is the most valuable thing you can do. If you haven't already, be sure to sign up for free Whenergy Alerts to see your energy use and monitor your cost goals.

ENERGY-SAVING ACTIONS:

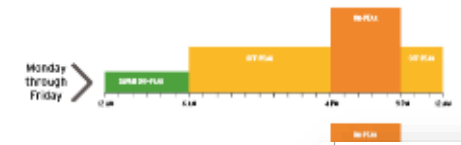
- Run A/C during off-peak hours; pre-cool your home before the on-peak hours.
- Consider replacing older, less efficient major appliances - sdge.com/marketplace.
- If you have a pool/spa, set pumps to run during off-peak hours.

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Tip: Avoid using high energy use appliances during on-peak hours.



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High Use

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TOU Pilot Communications



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Anniversary/Bill Protection Ending message Pricing Plans 1 & 2

whenergy®



Happy One-Year Anniversary!

It's been a year since you volunteered to lead the way to Whenergy. We want to thank you again for your participation in our new Time-of-use pricing plan study. Your insights continue to be incredibly valuable as we prepare to roll out Whenergy to our customers over the next two years. By managing your energy use and shifting use away from on-peak hours, you've helped to reduce demand on the electric grid. Reducing demand ultimately benefits the environment because we rely on Whenergy to help us reach California's new and innovative energy future.

In general, summer means more energy use and higher energy prices during these hotter months, so managing your use will have even more impact on your bill. Be sure to visit sdge.com/MyWhenergy/ for tips and tools.

Thanks to you, when the new Whenergy rates take effect, you'll be a big part of their success.

The Whenergy program ends in December 2017. However, your Whenergy bill protection expires this summer as the one-year anniversary of your enrollment (between June and July). As a reminder, in order to receive your final survey credit, you must complete the survey.

Please note that eligibility for the new Whenergy study requires participants to have their account enrolled with SDGE.



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Pilot Website Updates Pricing Plans 1 & 2

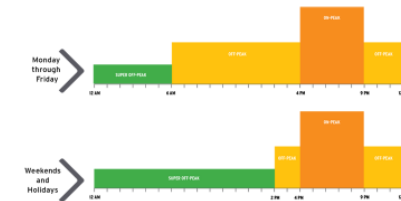


Summer
May 1 - Oct. 31

Your Whenergy Rate: Control Your Use E1

Your rate has three time periods: on-peak, off-peak, and super off-peak.

As summer approaches, your Whenergy pricing will change to meet the energy demands of a different season. Remember, summer prices and bills tend to be higher than other times of the year. Your goal is to use less energy during on-peak times when it's most expensive. And to shift your use away from on-peak times to off-peak and super off-peak times where you'll get the lowest electricity pricing. In some cases, 50% off.

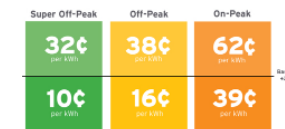


Your Price Per Kilowatt Hour

Your electricity price per kilowatt hour (kWh) is based on when you use energy and your baseline allowance each month.

Your allowance is your baseline plus 30%. Once you've reached your initial energy use allowance, you'll move into the next pricing level that has higher prices.

Staying under your baseline allowance and shifting energy use to off-peak and super off-peak hours is the best way to save. Use our [Baseline Calculator](#) to find the allowance in your area.



Bill Protection

Bill protection expires on the anniversary of your enrollment between June and July, 2017. If you didn't save on Whenergy as compared to the standard residential rate, a bill protection credit will be applied to your account.

Final Survey

During the coming summer months, you'll be sent the final Whenergy study survey. To receive your final survey credit, it's important that you complete this survey. The credit will be listed as a "Policy Adjustment" on your bill after all survey results have been processed.

HourX Communication Efforts



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Recent HourX communication campaigns, such as the High-Demand Surcharge reminder, have engaged and informed customers on the HourX rate

SUMMER IS HERE SO ARE HIGH-DEMAND HOURS

As the summer heat arrives so do higher prices during high-demand hours. Keeping an eye on your personal daily pricing chart can help you plan for surcharge pricing during forecasted high-demand hours.

High-Demand Alert

You'll receive an email alerting you if the next day's demand for energy is forecasted to be high. Check your personal pricing chart to see the surcharge price and timing of the forecasted high-demand hours.

High-Demand Hours and Surcharges

There can be up to 350 high-demand hours in a year and the surcharges may vary. If the actual price is less than the forecasted price, a surplus energy credit will be applied to your bill. The

Recurring notifications and customized communications have also continued throughout this year



Your Daily Forecasted Pricing Reminder

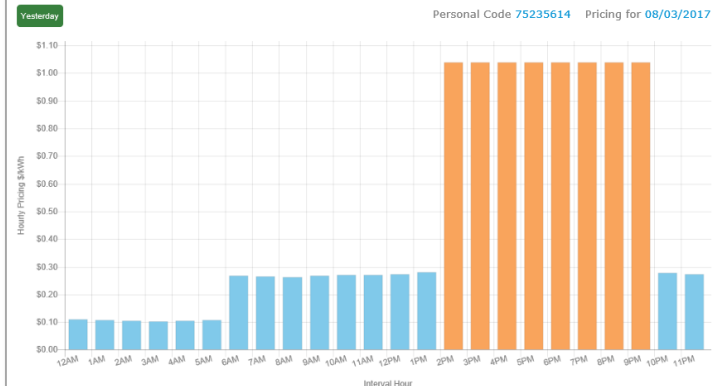
Your Personal Code: 75235614

To see your forecasted pricing for tomorrow, go to sdge.com/HourX2 and enter in your personal code. You can also see your forecasted pricing through the [SDG&E app](#).

GET PRICING

Your Personal Pricing on Whenergy HourX

The hourly pricing on [Whenergy HourX](#) varies based on the forecasted energy demand. Each day, around 6 p.m., your day-ahead forecasted pricing¹ will be posted. Your hourly pricing is specific to your account.



HourX Event Day Performance



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10 System Events were called

System Events apply to the entire system. As a result, the adder is impactful, and events cause a **rate increase of 70 cents**. The benchmark is calling **150 events per year**, and these may or may not coincide with any circuit events.

28 Circuit Events were called

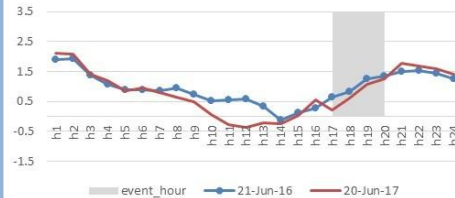
Circuits are local to the customer and are based on the equipment necessary to bring power from the substation to the customer. These localized events cause a smaller **19 cent increase**. The benchmark is **200 events per year**.

Five examples below illustrate that compared to a similar day of last year, participating Hour X customers have noticeably reduced their energy consumption during event hours.

Example 1: Hour X Customers Avg. Usage
Event Day & Non-Event Day (Mon)



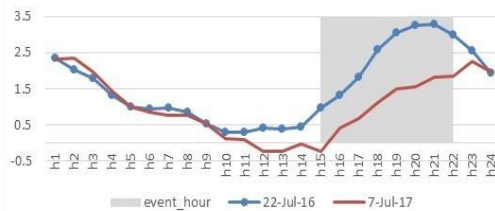
Example 2: Hour X Customers Avg. Usage
Event Day & Non-Event Day (Tue)



Example 3: Hour X Customers Avg. Usage
Event Day & Non-Event Day (Wed)



Example 5: Hour X Customers Avg. Usage
Event Day & Non-Event Day (Fri)



Example 4: Hour X Customers Avg. Usage
Event Day & Non-Event Day (Thurs)



Red line – event day
Blue line – baseline day
(Baseline selected on similar weather pattern and day-of-week)
Gray Bar – Event hours

HourX Participant Survey Results



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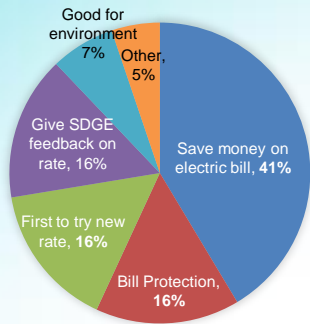
Customers have positively responded to the HourX rate, and survey responses reflected customer satisfaction and savings

1 8 in 10 participants said they are satisfied with both SDG&E and the TOU pricing plan

- HourX pilot participants are slightly more satisfied with the plan than those on plans 1 and 2, although not a statistically significant difference
- EV owners are also more satisfied with the pricing plan (84% are satisfied, vs. 68% of non-owners)

	% Satisfied	Hour X Avg.	Rate 1 Avg.*	Rate 2 Avg.*	Control Avg.*
Overall Satisfaction with Rate Plan	78%	6.3	6.1	6.1	6.0
Overall Satisfaction with SDG&E	81%	7.3	6.7	6.7	6.8

* Non-CARE, Moderate region



2 Saving money on the electric bill is the top reason for deciding to enroll in the Hour X Pilot

A lower percentage of SDG&E employees said saving money was the main reason, although that was still the top reason given. Employees said they were also motivated to provide feedback and be the first to try the new rate. They also were incentivized by bill protection, more so than non-employees

3 The Daily Pricing information appeared to be both helpful and used most frequently, followed by the Weekly Alert Email

When asked what kind of information they feel they need to be successful on the rate, many commented that they would like more advance notice or the ability to forecast what the rates might be, alerts or analytical tools, and for the rates to be easy to obtain and understand in general.

Q: Since October, how often, if at all, did you reference the following to help you manage your electricity usage? (n=58)



Default Time-of-Use Pilot

Default TOU Customer Population

Default Notification Distribution:

150,000 customers

Default Transition Goal:

100,000 – 125,000 customers

Customer Message Testing & Feedback

Creative Concept Messaging

August 2017

Pre-Default TOU Communication
Materials Testing

September/October 2017

Customer Communications Key Activities Timeline

**TOU Awareness
Postcard**

October 2017

**Pre-default with Rate
Comparison (PD60)**

January 2018

**Pre-default Reminder
Notification (PD30)**

February 2018

Welcome Package

March 2018*

* Will be ready January 2018 for early adopters

Default Time-of-Use Pilot

Customer Communication Waves

Wave 1

PD60, PD30 communications
and Welcome Package

- **Pricing plan presentment**
 - Number of pricing plan choices displayed
- **Customer delivery channel**
 - Email only
 - Mail only
 - Email/mail combination
- **Directed where to get more information**
 - Website will feature solutions & tips for success on pricing plans

Wave 2

After-care communications
to support pricing plans

- **Customer segmentation will be used**
- **Messaging will include**
 - Winter & Summer rate changes
 - Solutions
 - Programs (home upgrade)
 - Services & Tools (mobile app)
 - Savings Tips

Default Time-of-Use Pilot

Customer Message Variation



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- Wave 1 communications (PD60, PD30 & Welcome Package) will vary by customer channel delivery and pricing plan options presentment
- Combinations for information being delivered to customers are included in 13 test cells with 8 base English versions and 8 base Spanish versions
- After-care communications will utilize SDG&E's customer segmentation and be paired with solutions

Email (EM) Population		Direct Mail (DM) Population	
Pricing Plan 1	Pricing Plan 2	Pricing Plan 1	Pricing Plan 2
Seasonal + Annual; 3 rates; Email and Direct Mail	Seasonal + Annual; 3 rates; Email and Direct Mail	Annual; 3 rates; Direct Mail only	Seasonal + Annual; 3 rates; Direct Mail only
Seasonal + Annual; 3 rates; Direct Mail only		Seasonal + Annual; 3 rates; Direct Mail only	
Annual; 3 rates; Email only		Seasonal + Annual; 4 rates; Direct Mail only	
Seasonal + Annual; 3 rates; Email only		Monthly + Annual; 3 rates; Direct Mail	
Seasonal + Annual; 4 rates; Email only			
Monthly + Annual; 3 rates; Email only			
Annual (NEM); 3 rates; E-mail and Direct Mail			

General Rate Case II (GRC II):

- Final decision received on August 24, 2017
- Changes for customers include:
 - On-peak hours will be shifting to 4p-9p
 - ❖ Some eligible solar customers will keep 11a-6p peak until TOU period grandfathering expires
 - May will become a winter month
 - March & April will have mid-day super off-peak from 10a-2p
 - Some rates will be canceled
 - New rates will be launched (TOU and EV)

745 Exclusions:

- Proposed decision received on August 29, 2017
- Customer Exclusions:
 - Medical Baseline customers will be excluded from TOU default transition
 - CARE/FERA customers in Hot Zones (mountain & desert customers) will also be excluded pending approval of this decision
- Approximately 17,000 reside in SDG&E's Hot Zone zip codes
- Nearly 4,200 customers in Hot Zone are CARE, FERA and/or Medical Baseline

Kelly Prasser

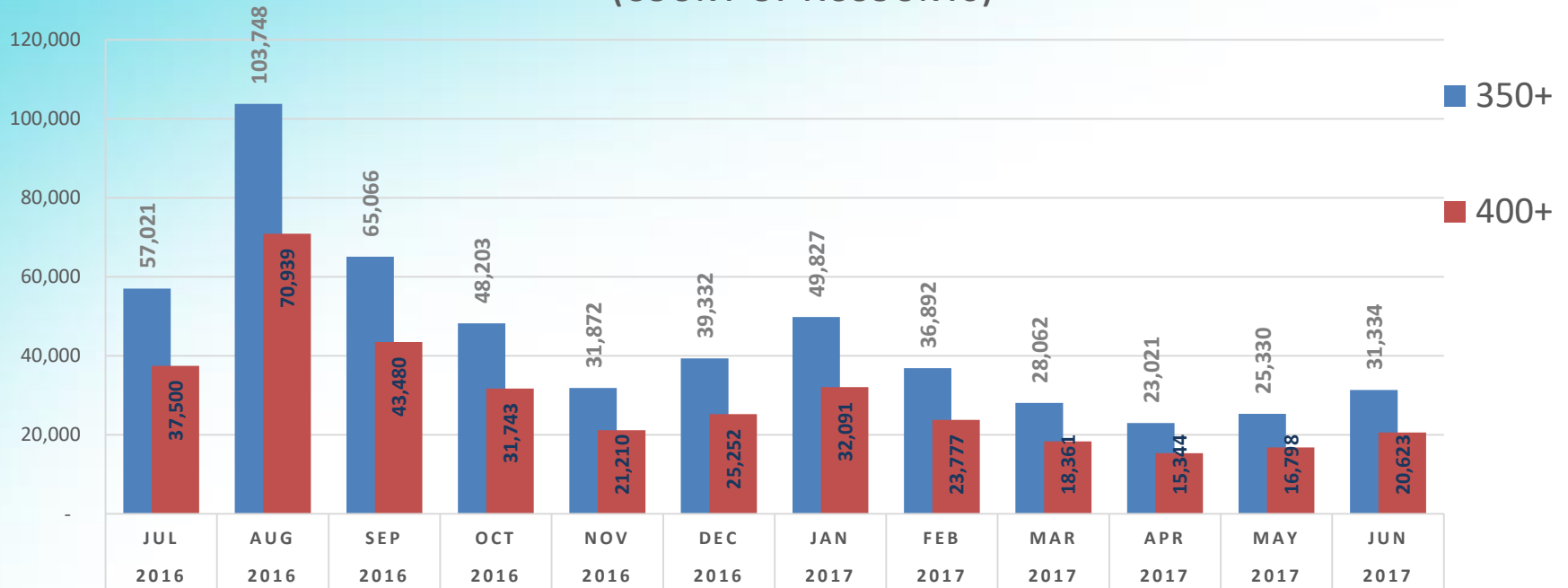
Manager, Customer & Employee Engagement
Rates & Reform

kprasser@semprautilities.com



When you use energy really does matter

HIGH USERS (COUNT OF ACCOUNTS)



All Residential (includes CARE)