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BEFORE THE PUBLIC UTILITIES COMMISSION

OF THE STATE OF CALIFORNIA

Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.	Rulemaking 13-11-005 (Filed November 14, 2013)

COMMENTS OF SOUTHERN CALIFORNIA GAS COMPANY (U 904 G) ON ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON FUTURE OF REGIONAL ENERGY NETWORKS

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Pursuant to Rule 14.3 of the California Public Utilities Commission ("Commission") Rules of Practice and Procedure, Southern California Gas Company ("SoCalGas") hereby submits comments on the *Administrative Law Judge's Ruling Seeking Comments on Future of Regional Energy Networks* ("Ruling") issued on March 27, 2019. SoCalGas' response to the Ruling does not address all of the eleven specific questions raised in the Ruling but instead encourages the Commission to allow a more complete evaluation of Regional Energy Networks ("RENs") to be completed and to hold off on the approval of any new RENs.

I. DISCUSSION

SoCalGas appreciates the Commission's efforts in seeking to evaluate and establish new criteria and policies for the role of existing RENs and the formation of new RENs. In general, SoCalGas believes that such guidance is necessary to be able to ensure RENs are appropriately administering their portfolios and adequately filling the gaps in investor-owned utility ("IOU") program administrators ("PAs") Energy Efficiency portfolios. However, wholesale changes to the existing RENs is unnecessary as they are currently providing value. In addition, it is premature to approve any new RENs.

A. Existing RENs Provide Value to Energy Efficiency

In general, SoCalGas believes that it is unnecessary for the Commission to make any changes to the policy guidance previously given to existing RENs. Currently, SoCalGas has two RENs within its service territory, Southern California Regional Energy Network ("SoCalREN") and Tri-County Regional Energy Network ("3C-REN"). As fiscal manager of these RENs, SoCalGas has been collaboratively working over the past six years with SoCalREN, and more recently with 3C-REN, to more effectively meet local energy efficiency needs. Through collaboration and coordination SoCalGas has been able to build upon the unique resources and expertise that RENs provide. Through Joint Cooperation Memorandums, SoCalGas has bolstered its program offerings by actively working with SoCalREN and 3C-REN to offer programs that address disadvantaged communities and hard-to-reach customers, fill gaps, and avoid duplication.

B. Existing RENs Should be Held to Some Level of Oversight

The Ruling looks to determine whether RENs should be required to meet a certain cost-effectiveness threshold in order to be approved or continued.[1] SoCalGas appreciates the Commission continuing to administer their oversight on the RENs and continuing to encourage the RENs to find cost-effective energy savings. The Commission should ensure that RENs are implementing their programs in a cost-effective manner. However, SoCalGas does not believe that RENs should be required to meet the cost-effective requirements placed on the IOU PAs. Currently, there are many barriers to ensuring cost-effective portfolios and programs. Placing such requirements on RENs would hinder REN program offerings and limit the RENs' ability to meet Commission's intention for RENs, specifically in filling gaps and serving hard-to-reach customers. Instead, SoCalGas suggests the Commission establish other metrics for success, for example, ensuring RENs have administrative efficiency within their portfolios or establishing REN outreach and customer participation targets.

C. New RENs Should be Postponed

Without a full evaluation of the REN pilots, SoCalGas believes it is premature to allow for the formation of new RENs. In Decision ("D.") 12-11-051, the Commission noted the importance of evaluating REN activities to determine if certain piloted activities were successful and should be scaled up.[2] An initial study by Opinion Dynamics conducted in 2015 evaluated two essential questions: (1) "Does the REN program performance warrant continuing REN programs, regardless of whether RENs remain program administrators" and (2) "Should RENs remain program administrators in connection with whatever portfolio of programs they oversee."[3] The initial results of the 2015 study indicated that the REN data performance was "insufficient for the Commission to draw any final conclusions."[4] These two questions are

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[1] Ruling at p. 8.
[2] D.12-11-015 at p. 19.
[3] See "California Public Utilities Commission Energy Efficiency Program Oversite and Evaluation of the Group B Sectors Year 1: LGP/REN/CCA Research Workplan", at p. 1.
[4] See "California Public Utilities Commission Energy Efficiency Program Oversite and Evaluation of the

similar to those that the Ruling is attempting to address. The Ruling recognizes that the Commission is still lacking "conclusive evaluation results" on RENs.[5] SoCalGas urges the Commission to prioritize the completion of a full evaluation on the RENs before determining the need for new RENs.

Additionally, as the Investor-Owned Utilities ("IOUs") move to outsource a minimum of 60 percent of their portfolios by 2022, the Commission can further evaluate the appropriateness of new RENs as third-party programs are developed and implemented. SoCalGas' third-party solicitations have just begun, and it is unknown at this time what third-party implementers will bring to SoCalGas' energy efficiency portfolio. As such, SoCalGas suggests that the Commission hold off on making any determinations on the need for new RENs until the third-party solicitations have concluded so that a more complete assessment of any potentially remaining gaps within energy efficiency portfolios can be made.

II. CONCLUSION

SoCalGas appreciates the opportunity to provide these comments and looks forward to its continued collaboration with existing RENs.

Respectfully submitted on behalf of
SOUTHERN CALIFORNIA GAS COMPANY

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Group B Sectors Year 1: LGP/REN/CCA Research Workplan", at p. 23.

[5] Ruling at 5.