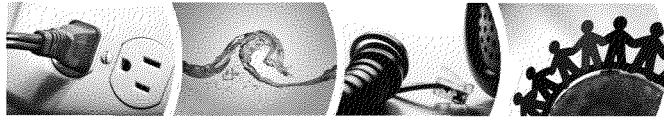


EXHIBIT 1



Party Position Comparison Table Efficiency Savings and Performance Incentive for 2013-2014 Portfolio

	ACR	DRA	NRDC	PG&E	SCE	SEMPRA	TURN
Adjustments to Award Caps	<p>Total Award: 9%</p> <p>Ex Post Savings: 8%</p> <p>EAR (Scorecard): 2%</p> <p>Non-resource: 3%</p> <p>C&S: 10%</p>	<p>Total Award: 7%</p> <p>Ex post savings: 5.5%</p> <p>Cap of 9% is not justified given low IOU risk, the current economic recession, and a national average of 7%, as calculated by TURN's 2012 analysis.</p>	<p>Total Award: \$188 million – 10.8%</p> <p>1) NRDC compares cap in ACR to prior RRIM cap but does not consider drastic differences in risk and 2) ACEEE's national average (12-13%) is based on outdated 2010 data.</p>	<p>Total Award: 11.7%</p> <p>PG&E's support of 2010 ACEEE national average (12-13%) is outdated.</p>	<p>Support ACR Caps</p> <p>SCE's support given that IOU potential to reach cap is low is reasonable.</p>	<p>Support ACR Caps</p> <p>Sempra's position that ACR cap balances sharing benefits with customers and recognizing management performance is reasonable, but this is more cost efficiently achieved with a 7% cap.</p>	<p>Total Award: 7.4%</p> <p>Reasonable as it is in line with TURN's 2012 updated analysis of the national average (7%), and reflects low risk to IOUs.</p>
Savings Component: Ex Ante vs. Ex Post	<p>Ex Post</p> <p>Ex ante creates incentive to inflate savings values.</p> <p>Ex post encourages mid-cycle adjustments.</p> <p>Ex ante cannot provide savings claims for new measures.</p> <p>Ex post values are used in resource planning.</p>	<p>Ex Post</p> <p>Encourages IOUs to better respond to changes in the market and verification ensures goals are met. As demonstrated in the 2010-12 cycle, the ex ante lockdown process has not proven to be any less contentious.</p>	<p>Ex Ante for Current Cycle then Ex Post Once Reformed</p> <p>NRDC's assertion EM&V process should be more transparent / collaborative could actually require more CPUC resources with contention likely to persist. IOU participation in EM&V should be limited as they have vested financial interests.</p>	<p>Ex Ante</p> <p>PG&E's claim that ex post penalizes market transformation, mid-cycle adjustments could not occur given EM&V lag, and ex ante process will mitigate contention is unfounded. Ex post encourages IOUs to respond to the market in a timely manner and ex ante has not proven to be less contentious.</p>	<p>Ex Ante</p> <p>Argues that ex post detracts from award predictability, causes delays, and EAR is sufficient to encourage accuracy. However, ex ante would shift uncertainty to ratepayers. EAR is not sufficient as potential earnings are less than that of savings component (2% vs. 8%).</p>	<p>Ex Ante</p> <p>Contends ACR steps to minimize contention with ex post evaluation are insufficient. However, as demonstrated in 2010-12, ex ante will not relieve controversy but will just shift it to the beginning of the cycle.</p>	<p>Ex Post</p> <p>Agree with TURN's assertion that accurate attribution of performance ensures goals are met and that ex post prevents the 'gaming' associated with ex ante lockdown.</p>

	ACR	DRA	NRDC	PG&E	SCE	SEMPRA	TURN
Cost-Effectiveness Multiplier	1 + (Ex Post – Ex Ante) Applied to ex post savings. Intended to promote cost-effectiveness.	Oppose Introduces complexity and insufficiently protects against non-cost-effective portfolios.	Oppose Unnecessarily complicated.	Oppose Dis-incentivizes programs with lower TRC values.	Oppose Adds undue uncertainty.	Oppose Adds complexity, uncertainty, and contradicts goals for longer-lasting, deeper savings.	Oppose Furthers stress on EM&V results.
Cost-Effectiveness Threshold or Guarantee	N/A	Proposed Threshold Should meet a TRC Threshold of 1.0, consistent with portfolio approval. Encourages IOUs to pursue <i>all</i> cost-effective savings and not just the most cost-effective.	Proposed Guarantee Supports use of Threshold, but its support of PAC test contradicts the CPUC's directive to use TRC. NRDC's recommendation of potential penalties would increase contention and utility risk.	Oppose Both Claims approach dis-incentivizes programs with low TRC and that risk is small given pre-approval & fund-shifting rules. In actuality a Threshold incents a cost-effective mix of programs with a range of TRCs.	Oppose Both Claims small risk due to CPUC oversight, yet ratepayers should not be subject to any level of risk.	Support Threshold Claims use of ex ante & PAC has more direct link to IOU business than TRC with low risk of non-cost-effectiveness. However, PAC is inconsistent with portfolio approval.	Support Threshold +Adder While DRA supports TURN's proposed adder for decreased non-incentive spending, not in place of a Threshold.
Codes & Standards Management Fee	Proposed 10% Codes & Standards management fee due to complicating factors in verifying C&S savings.	Support Agree that C&S savings can be difficult to verify.	Oppose 'De-values' C&S; proposes \$12-36 million award. Yet IOUs already have large incentive to invest in C&S in order to keep portfolio cost-effective.	Support Claims 10% is modest given C&S cost-effectiveness. However, 10% is high given the low-risk nature of a management fee.	Support Given unique nature of C&S as savings result from prior cycle activities.	Support Given difficulties in calculating C&S savings.	Support C&S programs are unique and would be inequitable to include in ex post savings award.
Net-to-Gross (NTG) & Expected Useful Life (EUL) Stretch Values	Proposed in order to further incentives to meet CPUC goals with well-designed programs, as part of ex post savings calculation.	Support NTG measures program attribution and promotes spending where market transformation is most needed. Stretch EUL value encourages long-term savings.	Proposed Ex Ante NTG Does not conflict with market transformation goals as NRDC claims.	Remove NTG Claims it 'penalizes' market transformation and urges average EUL be used. Yet NTG promotes spending where market transformation is most needed.	Support / Oppose Supports EUL if 'frozen,' but opposes NTG as not consistent with market transformation (MT) objectives. Yet NTG promotes MT.	Remove NTG NTG is controversial. Also urges use of more realistic EUL from the potential study; however purpose is to encourage <i>superior</i> performance.	Support Promotes longer-lived savings and shifts to measures not yet adopted in marketplace.