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December 6, 2013

Mr. Edward F. Randolph
Director, Energy Division
California Public Utilities Commission
505 Van Ness Avenue, Room 4004
San Francisco, CA 94102

**Subject: Addendum to SoCalGas' California Solar Initiative (CSI) Thermal Program
Local Market Facilitation Plan Approved in Advice No. (AL) 4545**

Dear Mr. Randolph:

Pursuant to paragraph 2 of the disposition letter dated November 5, 2013, approving SoCalGas' AL 4545, the CSI Program Administrators (PAs) were ordered to submit to the California Public Utilities Commission (Commission or CPUC) Energy Division (ED) a single-family low-income program outreach addendum to the 2014 Local Market Facilitation Plan by December 13, 2013. SoCalGas hereby submits this addendum in both electronic and hard-copy format.

Per ED's request, this addendum outlines the plan to identify low-income customers and a plan to work with at least one partner organization in the local area to help publicize the CSI-Thermal Program in low-income communities through presentations, workshops or events.

This addendum serves as an expansion on SoCalGas' approved 2014 Local Market Facilitation plan.

Background

In 2013, SoCalGas launched a direct mail effort through the Community Services and Development (CSD) program to target low-income homeowners and renters who previously participated in Energy Savings Assistance Program (ESAP) to inform them that they were eligible for a no-cost solar water-heating system. This program leveraged CSD's Low Income Home Energy Assistance Program's (LIHEAP) funds with investor owned utilities (IOU) rebate dollars. The partnership with CSD minimizes or eliminates customers' up-front costs needed for installation and permits. It also provides support in securing trained installers and a general education of the installation process and technology benefits.

Current Status of CSI-Thermal Residential Outreach

Through the CSD program, SoCalGas executed ten direct mail drops of 500-2000 customers each for a total of 10,000 letters with a response rate of five percent. Two additional drops of 3,200 customers each are scheduled in December 2013, bringing the total reach to 16,000 customers.

SoCalGas has also been working with CSD in developing guidelines to streamline the application process for low-income homeowners. This involved developing the criteria for the contractor/homeowner purchase agreements in order to ensure that the CSI Thermal Program requirements are met. In addition, SoCalGas held a contractor training course for CSD designated contractors to provide them with the ability to submit applications on behalf of the low-income homeowners. SoCalGas also held extensive discussions with CSD in developing the technical requirements for the bulk purchasing of solar hot water systems. By implementing this cost effective effort, more homeowners will be able to take part in the CSD low-income solar hot water program.

2014 Low-Income Outreach Plans, Data Matches and Partnerships

In 2014, SoCalGas is planning to continue collaboration with CSD, as funding for this initiative will still be available. SoCalGas will expand its outreach in seeking partnership with other low-income programs, such as California Alternate Rates for Energy (CARE).

SoCalGas will also re-target ESAP customers reached in 2013 by scrubbing the direct mail target list that was used for the 2013 direct mail effort and target the same customers via an email campaign.

To expand reach further, SoCalGas will target the low-income segment through local grass-roots efforts targeting local events where high attendance of this segment is expected. SoCalGas will use this as an opportunity to educate this segment on the technology through the use of the mobile home/traveling exhibit that is being developed for 2014 local marketing execution. SoCalGas will present live demos and have in-person discussions with attendees about the benefits of the technology, overall scope of the program and best means of installation options to consider for this target.

Due to the inherent barriers of necessary disposable income for installation, SoCalGas intends to avoid allocating marketing resources to this segment outside the scope of the CSD partnership and local grass-roots educational opportunities. SoCalGas will continue to measure success of marketing efforts on increased general awareness of the CSI-Thermal program and the benefits of the solar-thermal technology among this target group.

After the implementation of the 2013 CSD program and the increased effort of the marketing outreach program to the low-income market segments, SoCalGas will continue to evaluate the program to consider if any additional activities are warranted. In 2014, should additional financial support be required, SoCalGas will work with the other utilities and the CPUC to consider increasing the incentive level for single family low-income homeowners.

Overall 2014 CSI-Thermal M&O Budget

Approved Local Marketing Facilitation Budget per AL 4545:

CATEGORY	BUDGET
Local Market Facilitation Plan – Agency	\$1,400,000
Trade Shows, Community Events	77,000
Statewide Market Facilitation Contribution	816,000
Marketing/Outreach Labor	228,983
TOTAL	\$ 2,521,983

Outreach to low-income customers via trade shows, community events and direct mail outreach will be considered within existing scope of work and budget allotment. No incremental budget is anticipated.

Implementation Timeline

The implementation timeline below provides proposed dates for the completion of 2014 Low-Income Outreach plans, mirroring the outreach efforts in 2013. These implementation dates are estimates and may be adjusted as the need arises.

2014 SCG CSI-Thermal Program Low-Income Outreach Implementation Plan												
TACTICAL SUPPORT	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sept	Oct	Nov	Dec
Solar/CSD Direct Mail Letter (English/Spanish)												
Community Events Outreach (ongoing as opportunities arise)												

Conclusion

SoCalGas believes that this addendum complies with ED’s direction in its format and content and therefore requests that it be approved.

Sincerely,

Rasha Prince
 Director, Regulatory Affairs

cc: Parties served with the original AL 4545