

## PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA

COMMISSION ADVISORY  
AND COMPLIANCE DIVISION  
Energy BranchRESOLUTION G-3109  
February 16, 1994R E S O L U T I O NRESOLUTION G-3109. SOUTHERN CALIFORNIA GAS COMPANY  
PROPOSED TREATMENT OF CERTAIN UNSPENT DEMAND-SIDE  
MANAGEMENT FUNDS FROM 1993 TO CONTINUE TEAM UP PROGRAM  
ACTIVITIES.

BY ADVICE LETTER NO. 2258-G, filed on January 7, 1994.

SUMMARY

1. In this advice letter, Southern California Gas Company (SoCal) submits proposed treatment of certain unspent demand-side management (DSM) funds from 1993. SoCal (1) intends to carry over 1993 funds authorized for the TEAM UP program in Resolution G-3013 into 1994 and (2) requests approval to add a new measure to its TEAM UP Commercial New Construction program.
2. This resolution approves the proposed carry over of unspent DSM funds from 1993 and authorizes SoCal to add a new measure to its TEAM UP Commercial New Construction program.

BACKGROUND

1. In response to the 1992 civil disturbance in Los Angeles, SoCal filed Advice Letter 2132-G to increase DSM funding earmarked for the purchase of energy efficient equipment by non-residential customers located in enterprise zones or affected communities. In Resolution G-3013, the California Public Utilities Commission (Commission) authorized modifications to certain SoCal programs to allow the company to operate TEAM UP as part of the Rebuild Los Angeles effort. TEAM UP began operating in 1992 with funding authorized through 1993.
2. The total authorized funding available for 1993 TEAM UP activities was \$3.6 million. The TEAM UP Commercial New Construction budget for 1993 was \$1.5 million and is considerably underspent, due to a slower pace of rebuilding and new construction than anticipated.
3. Recently the Korean Youth and Community Center (KYCC), a community based organization, began a conversion program to assist liquor store owners rebuild as laundromats. SoCal representatives met with KYCC and found that the proposed conversion projects would qualify for TEAM UP funding. However,

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the conversion project will not begin until after January 1, 1994.

4. SoCal requests Commission approval to carry over \$300,000 of 1993 TEAM UP Commercial New Construction funding into 1994 for the purpose of providing rebates for ten identified conversions.

5. The TEAM UP programs are modeled after the standard commercial and industrial DSM programs. The Commercial New Construction program does not include a dryer measure at this time. SoCal has performed a cost-effectiveness analysis for new commercial dryers and found it to be cost-effective at the measure level. Commercial gas dryers are not a fuel substitution measure since approximately 99% of commercial dryers in California a natural gas-powered.

6. According to SoCal, establishing a rebate for commercial dryers is crucial to the success of the conversion effort as owners would purchase used dryers in the absence of a SoCal rebate.

7. On January 7, 1994, SoCal filed advice letter 2258-G regarding proposed treatment of certain unspent DSM funds from 1993 and to add a new measure to the TEAM UP Commercial New Construction program.

#### NOTICE

The original Advice Letter was noticed in accordance with section III of General Order 96-A by publication in the Commission Calendar and distribution to SoCal's advice filing service list.

#### PROTESTS

No protests have been received by the Commission Advisory and Compliance Division (CACD) in this advice filing.

#### DISCUSSION

1. SoCal has requested the ability to carry over \$300,000 for the limited purpose of providing rebates for the KYCC conversion project through the TEAM UP Commercial New Construction program. SoCal has provided information regarding the community support surrounding the conversion project and explained why the funds authorized were not spent in 1993 as anticipated. This project would have qualified for TEAM UP funding during 1993. CACD recommends that SoCal be allowed to carry over \$300,000 for use on this activity through June 30, 1994. Any funds remaining as of June 30, 1994 should be returned to ratepayers.

2. SoCal has requested the ability to add a commercial gas dryer measure to its TEAM UP Commercial New Construction program. SoCal has provided cost-effectiveness documentation of the measure and presented market share information for

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commercial gas and electric dryers that indicates this is not a fuel substitution measure. For these reasons, CACD is supportive of this request.

**FINDINGS**

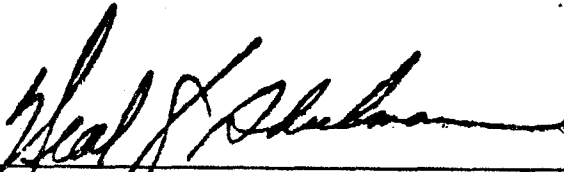
1. SoCal filed Advice Letter 2258-G on January 7, 1994 to request Commission authorization to carry over certain unspent 1993 DSM funds to 1994 and to add a measure to the TEAM UP Commercial New Construction program.
2. SoCal's proposed carry over of DSM funds is intended to improve the utility's ability to capture demand-side resources in its service territory. The requested carry over of DSM funds should be authorized.
3. SoCal's proposed addition of the dryer measure to its TEAM UP Commercial New Construction program is intended to improve the utility's ability to capture demand-side resources in its service territory. The addition of the dryer measure should be authorized.

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**THEREFORE, IT IS ORDERED that:**

1. Southern California Gas Company is authorized to carry over Demand-Side Management funds as proposed in Advice Letter 2258-G. Any funds remaining as of June 30, 1994 shall be returned to ratepayers.
2. Southern California Gas Company is authorized to add the commercial gas dryer measure to the TEAM UP Commercial New Construction program as proposed in Advice Letter 2258-G.
3. Advice Letter 2258-G shall be marked to show that it was approved by Commission Resolution G-3109.
4. This Resolution is effective today.

I hereby certify that this Resolution was adopted by the Public Utilities commission at its regular meeting on February 16, 1994. The following Commissioners approved it:

  
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NEAL J. SHULMAN  
Executive Director

DANIEL Wm. FESSLER  
President  
PATRICIA M. ECKERT  
NORMAN D. SHUMWAY  
P. GREGORY CONLON  
JESSIE J. KNIGHT, Jr.  
Commissioners