

PUBLIC UTILITIES COMMISSION

505 VAN NESS AVENUE

SAN FRANCISCO, CA 94102-3298



October 19, 2015

**Advice Letter: 3623-G/4695-E**

Pacific Gas and Electric Company  
Attn: Erik Jacobson, Director, Regulatory Relations  
Senior Director, Regulatory Relations  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, CA 94177

**SUBJECT: Request of Southern California Edison, Pacific Gas and Electric, San Diego Gas & Electric, and Southern California Gas to Increase the Incentive Levels for Food Service Measures Offered in the Statewide Commercial Energy Efficiency Program**

Dear Ms. Allen:

Advice Letter 3623-G/4695-E is effective as of September 19, 2015.

Sincerely,

A handwritten signature in cursive script that reads "Edward Randolph".

Edward Randolph  
Director, Energy Division

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August 20, 2015

**ADVICE 3265-E**

(Southern California Edison Company U 338 E)

**Advice No. 3623-G/4695-E**

(Pacific Gas and Electric Company U 39 M)

**Advice No. 2777-E/2409-G**

(San Diego Gas & Electric Company U 902 M)

**Advice No. 4849**

(Southern California Gas Company U 904 G)

PUBLIC UTILITIES COMMISSION OF THE STATE OF CALIFORNIA  
ENERGY DIVISION

**SUBJECT:** Request of Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company to Increase the Incentive Levels for Food Service Measures Offered in the Statewide Commercial Energy Efficiency Program

**PURPOSE**

Pursuant to Decision (D.)05-09-043, Southern California Edison Company (SCE), on behalf of itself, Pacific Gas and Electric Company (PG&E), San Diego Gas & Electric Company (SDG&E), and Southern California Gas Company (SoCalGas) (“Joint IOUs”) hereby submit this advice filing to propose increases in incentive levels for certain food service energy efficiency measures in the statewide Commercial Energy Efficiency Program.

SCE (only) seeks approval for the electric Griddle and Full Size Convection Oven as part of the statewide Commercial Energy Efficiency Program. All other IOUs filed, and received approval for an incentive increase for the electric and gas Griddle measures in January 2015.<sup>1</sup>

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<sup>1</sup> PG&E filed Advice 3538-G/4544-E; SDG&E filed Advice 2677-E/2341-G; and SoCalGas filed Advice 4723-G.

Additionally, SoCalGas seeks approval herein to increase the incentive level for its Process Heating Boiler measures as part of the statewide Commercial Energy Efficiency Program.

Several of the food service measures noted below are new measures for PG&E as approved in the PG&E Commercial Combo Oven – Electric and Gas workpaper (PGEFST100) via the ex-ante process outlined in D.11-07-030.

## **BACKGROUND**

On January 22, 2014, the California Public Utilities Commission's (Commission) Energy Division Director provided guidance in the Letter of Disposition to SCE's Advice 2972-E, which states with respect to statewide programs: "D.05-09-043 *does* require an AL filing if the incentive change exceeds 50%."<sup>2</sup> Pursuant to this direction, the Joint IOUs request changes in incentive levels that exceed this threshold for certain food service measures offered in the statewide Commercial Energy Efficiency Program (Deemed Incentives sub-program).

## **REQUEST FOR APPROVAL**

The Joint IOUs regularly evaluate incentive levels and customer participation for more than 30 food service measures to determine how high efficiency equipment is best deployed in this sector. A review of statewide food service participation over the last five years helped to narrow the focus to certain measure categories with very low market uptake. The Joint IOUs then reached out to customers, dealers, chefs, and equipment representatives through site visits, equipment demonstrations at our test centers, and customer audits. Feedback obtained from these stakeholders that represent over 80 percent of relevant equipment sales in California identified cost as a significant barrier to program uptake in the evaluated measure categories.

New commercial food service appliances are being constructed with better controls, insulation, gaskets, double pane glass, and other features. These improvements have increased equipment energy efficiency, but have also increased the cost difference between a standard product and an energy efficient product known as incremental measure cost (IMC). This increase in price difference poses a barrier for customers in the food service sector wishing to upgrade their existing equipment. For example, efficient food service combination ovens typically cost \$25,000-\$35,000, plus an additional \$1,000-\$3,000 for shipping and installation. The Joint IOUs' existing incentive of \$750-\$1,000 for the Combination Oven measures is inadequate to increase

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<sup>2</sup> SCE notes that the Energy Efficiency Policy Manual Version 5 (July 2013), issued on August 23, 2013, incorporated, without reference to D.05-09-043, clarification from Assigned Commissioner Ruling dated December 22, 2011, stating: "Changes to incentive levels or modifications to program design (such as changes to customer eligibility requirements) will not trigger Energy Division or formal Commission review. Program administrators will notify the Commission of all incentive level changes that take place through the Program Implementation Plan Addendum process" (see Appendix D of the policy manual, p. 66).

participation in energy efficiency programs. The proposed incentive level increases are expected to help food service customers overcome cost barriers and realize energy savings by retrofitting or replacing their existing equipment.

Overall, the total resource cost (TRC) for the measures included in this advice letter will remain favorable after the proposed incentive increases are implemented. On average, the current TRC for these measures range from 1.6 to 4.5. Upon approval of the measure incentive changes, the TRC range will be from 1.5 to 4.2.

The Joint IOUs propose the following statewide incentive increases for the electric measures listed in Table 1 below.<sup>3</sup> All available measure source codes are included in Appendix A.

Table 1: Electric Measures

#	Technology	Measure Description	Current Incentive	Proposed Incentive
1-SW	Control	Demand Control Kitchen Ventilation	\$350	\$700
2-SW	Fryer	Commercial Electric Fryer: Cooking Efficiency $\geq$ 80%	\$200	\$650
3-SW	Holding Cabinet	Full Size Holding Cabinet	\$300	\$750
4-SW <sup>4</sup>	Oven	Cooking Eff $\geq$ 60% Comm Elc Combi >28 Pans Oven	\$1,000	\$5,000

In addition, SDG&E and SoCalGas propose the following statewide incentive increases for the gas measures listed in Table 2 below. All available measure source codes are included in Appendix A.

<sup>3</sup> All proposed incentive levels are less than the IMC for each measure. IMC estimates are pulled from approved workpapers. Using climate zone six, which has the lowest statewide IMC, the Joint IOUs analyzed several scenarios for the new food service measures to determine the impact increased incentives would have on the associated TRC.

<sup>4</sup> For PG&E, this is a new measure as approved in the PG&E Commercial Combination Oven – Electric and Gas workpaper (PGECOFST100); not a change to an existing measure.

Table 2: Gas Measures

#	Technology	Measure Description	Current Incentive	Proposed Incentive
1-SDG&E SCG <sup>5</sup>	Oven	Cooking Eff $\geq$ 60% Comm Gas Combi 15 to 28 pans	\$750	\$1450
2-SDG&E SCG <sup>6</sup>	Oven	Cooking Eff $\geq$ 60% Comm Gas Combi > 28 pans	\$750	\$2400

SCE (only) seeks approval for the following increases in Table 3 below. As noted above, all other IOUs filed and received approval for an increase in electric and gas Griddle incentives. SCE requests to increase its incentive level in order to align with the other IOUs. The remaining IOUs are experiencing strong participation for the Full-size Convection Oven measure at the current incentive level of \$350 per unit. They will continue to do research as more qualified ovens become available in order to evaluate the program participation relative to the incentive levels and other market conditions.

Table 3: SCE Only Measures

#	Technology	Measure Description	Current Incentive	Proposed Incentive
1-SCE	Griddle	Electric Griddle: Cooking efficiency $\geq$ 70% and idle rate $\leq$ 355 watts per ft <sup>2</sup>	\$300 <sup>7</sup>	\$150/ft. <sup>8</sup>
2-SCE	Oven	$\leq$ 5 Pans Full-Size Convection Oven	\$350	\$750

Lastly, in Table 4 below, SoCalGas (only) seeks approval to increase the incentive level for its Process Heating Boiler measure as part of the statewide Commercial Energy Efficiency Program. The IOUs are currently offering differing incentive rates for this measure; SoCalGas requests to increase its incentive rate in order to align with the incentive amount offered by PG&E.

Table 4: SoCalGas Only Measures

#	Technology	Measure Description	Current Incentive	Proposed Incentive
1-SCG	Boiler	Process Heating Boiler	\$.75/MBtuh	\$2.00/MBtuh

<sup>5</sup> For PG&E, these are new measures as approved in the PG&E Commercial Combination Oven – Electric and Gas workpaper (PGECONFST100); not a change to existing measures.  
<sup>6</sup> For PG&E, this is a new measures as approved in the PG&E Commercial Combination Oven – Electric and Gas workpaper (PGECONFST100); not a change to an existing measure.  
<sup>7</sup> Incentive paid per griddle.  
<sup>8</sup> Typically griddles do not exceed six feet, thus, incentives would typically be capped at \$900 per griddle.

**TIER DESIGNATION**

Pursuant to General Order (GO) 96-B, Energy Industry Rule 5.2, this advice letter is submitted with a Tier 2 designation.

**EFFECTIVE DATE**

This advice filing will become effective on September 19, 2015, which is 30 calendar days after the date filed.

**NOTICE**

Anyone wishing to protest this advice filing may do so by letter via United States Mail, facsimile, or electronically, any of which must be received no later than 20 days after the date of this advice filing. Protests should be submitted to:

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Avenue  
San Francisco, California 94102  
E-mail: [EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Copies should also be mailed to the attention of the Director, Energy Division, Room 4004 (same address as above).

In addition, protests and all other correspondence regarding this advice letter should be sent by letter and transmitted via facsimile or electronically to the attention of:

**For SCE:**

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Michael R. Hoover  
Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5544  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

**For PG&E:**

Attn: Erik Jacobson  
Director, Regulatory Relations  
Pacific Gas and Electric Company  
77 Beale Street, Mail Code B10C  
P.O. Box 770000  
San Francisco, California 94177  
Facsimile: (415) 973-7226  
E-mail: [PGETariffs@pge.com](mailto:PGETariffs@pge.com)

**For SDG&E:**

Attn: Megan Caulson  
Regulatory Tariff Manager  
8330 Century Park Court, CP31F  
San Diego, CA 92123-1548  
E-mail: [MCaulson@semprautilities.com](mailto:MCaulson@semprautilities.com)

**For SoCalGas:**

Attn: Sid Newsom  
Tariff Manager - GT14D6  
555 West Fifth Street  
Los Angeles, CA 90013-1011  
Facsimile: (213) 244-4957  
E-mail: [snewsom@SempraUtilities.com](mailto:snewsom@SempraUtilities.com)

There are no restrictions on who may file a protest, but the protest must set forth specifically the grounds upon which it is based and must be received by the deadline shown above.

In accordance with General Rule 4 of GO 96-B, SCE is serving copies of this advice filing to the interested parties shown on the attached GO 96-B and R.13-11-005 service lists. Address change requests to the GO 96-B service list should be directed by

electronic mail to [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com) or at (626) 302-3719. For changes to all other service lists, please contact the Commission's Process Office at (415) 703-2021 or by electronic mail at [Process\\_Office@cpuc.ca.gov](mailto:Process_Office@cpuc.ca.gov).

Further, in accordance with Public Utilities Code Section 491, notice to the public is hereby given by filing and keeping the advice filing at SCE's corporate headquarters. To view other SCE advice letters filed with the Commission, log on to SCE's web site at <https://www.sce.com/wps/portal/home/regulatory/advice-letters>.

For questions, please contact Joni Key at (626) 302-5394 or by electronic mail at [Joni.Key@sce.com](mailto:Joni.Key@sce.com).

**Southern California Edison Company**

/s/ Russell G. Worden  
Russell G. Worden

RGW:jk:jm/cm  
Enclosures



**Appendix A – Measure Source Codes**

<b>Current Measure Description</b>	<b>Measure Source Codes</b>			
	<b>SCE</b>	<b>PG&amp;E</b>	<b>SDG&amp;E</b>	<b>SoCalGas</b>
Demand Control Kitchen Ventilation	FS-17337	F150	402032	N/A
Commercial Electric Fryer: Cooking Efficiency $\geq$ 80%	FS-57892	F205	402004	N/A
Full Size Holding Cabinet	FS-20224	F110	402001	N/A
Cooking Eff $\geq$ 60% Comm Elc Combi >28 Pans Oven	FS-20134	HA19	TBD	N/A
Cooking Eff $\geq$ 60% Comm Gas Combi 15 to 28 pans	N/A	F101	TBD	540247
Cooking Eff $\geq$ 60% Comm Gas Combi > 28 pans	N/A	HA49	TBD	540248
Electric Griddle: Cooking efficiency $\geq$ 70% and idle rate $\leq$ 355 watts per ft	FS-61445	N/A	N/A	N/A
$\leq$ 5 Pans Full-Size Convection Oven	FS-59869	N/A	N/A	N/A
Process Heating Boiler	N/A	N/A	N/A	530006, 530007, and 530009

# CALIFORNIA PUBLIC UTILITIES COMMISSION

## ADVICE LETTER FILING SUMMARY ENERGY UTILITY

MUST BE COMPLETED BY UTILITY (Attach additional pages as needed)

Company name/CPUC Utility No.: Southern California Edison Company (U 338-E)

Utility type:

- ELC       GAS  
 PLC       HEAT       WATER

Contact Person: Darrah Morgan

Phone #: (626) 302-2086

E-mail: [Darrah.Morgan@sce.com](mailto:Darrah.Morgan@sce.com)

E-mail Disposition Notice to: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

EXPLANATION OF UTILITY TYPE

ELC = Electric      GAS = Gas  
 PLC = Pipeline      HEAT = Heat      WATER = Water

(Date Filed/ Received Stamp by CPUC)

Advice Letter (AL) #: 3265-E

Tier Designation: 2

Subject of AL: Request of Southern California Edison Company, Pacific Gas and Electric Company, San Diego Gas & Electric Company, and Southern California Gas Company to Increase the Incentive Levels for Food Service Measures Offered in the Statewide Commercial Energy Efficiency Program

Keywords (choose from CPUC listing): Energy Efficiency

AL filing type:  Monthly  Quarterly  Annual  One-Time  Other

If AL filed in compliance with a Commission order, indicate relevant Decision/Resolution #:

Does AL replace a withdrawn or rejected AL? If so, identify the prior AL: \_\_\_\_\_

Summarize differences between the AL and the prior withdrawn or rejected AL<sup>1</sup>: \_\_\_\_\_

Confidential treatment requested?  Yes  No

If yes, specification of confidential information:

Confidential information will be made available to appropriate parties who execute a nondisclosure agreement.

Name and contact information to request nondisclosure agreement/access to confidential information:

Resolution Required?  Yes  No

Requested effective date: 09/19/15      No. of tariff sheets: -0-

Estimated system annual revenue effect: (%): \_\_\_\_\_

Estimated system average rate effect (%): \_\_\_\_\_

When rates are affected by AL, include attachment in AL showing average rate effects on customer classes (residential, small commercial, large C/I, agricultural, lighting).

Tariff schedules affected: \_\_\_\_\_

Service affected and changes proposed<sup>1</sup>: \_\_\_\_\_

Pending advice letters that revise the same tariff sheets: None

<sup>1</sup> Discuss in AL if more space is needed.

**All other correspondence regarding this AL, unless otherwise authorized by the Commission, shall be sent to:**

CPUC, Energy Division  
Attention: Tariff Unit  
505 Van Ness Ave.,  
San Francisco, CA 94102  
[EDTariffUnit@cpuc.ca.gov](mailto:EDTariffUnit@cpuc.ca.gov)

Russell G. Worden  
Managing Director, State Regulatory Operations  
Southern California Edison Company  
8631 Rush Street  
Rosemead, California 91770  
Facsimile: (626) 302-4829  
E-mail: [AdviceTariffManager@sce.com](mailto:AdviceTariffManager@sce.com)

Michael R. Hoover  
Director, State Regulatory Affairs  
c/o Karyn Gansecki  
Southern California Edison Company  
601 Van Ness Avenue, Suite 2030  
San Francisco, California 94102  
Facsimile: (415) 929-5540  
E-mail: [Karyn.Gansecki@sce.com](mailto:Karyn.Gansecki@sce.com)

**PG&E Gas and Electric  
Advice Filing List  
General Order 96-B, Section IV**

AT&T	Don Pickett & Associates, Inc.	OnGrid Solar
Albion Power Company	Douglass & Liddell	Pacific Gas and Electric Company
Alcantar & Kahl LLP	Downey & Brand	Praxair
Anderson & Poole	Ellison Schneider & Harris LLP	Regulatory & Cogeneration Service, Inc.
BART	G. A. Krause & Assoc.	SCD Energy Solutions
Barkovich & Yap, Inc.	GenOn Energy Inc.	SCE
Bartle Wells Associates	GenOn Energy, Inc.	SDG&E and SoCalGas
Braun Blaising McLaughlin, P.C.	Goodin, MacBride, Squeri, Schlotz & Ritchie	SPURR
CPUC	Green Power Institute	San Francisco Water Power and Sewer
California Cotton Ginners & Growers Assn	Hanna & Morton	Seattle City Light
California Energy Commission	In House Energy	Sempra Energy (Socal Gas)
California Public Utilities Commission	International Power Technology	Sempra Utilities
California State Association of Counties	Intestate Gas Services, Inc.	SoCalGas
Calpine	Kelly Group	Southern California Edison Company
Casner, Steve	Leviton Manufacturing Co., Inc.	Spark Energy
Cenergy Power	Linde	Sun Light & Power
Center for Biological Diversity	Los Angeles County Integrated Waste Management Task Force	Sunshine Design
City of Palo Alto	Los Angeles Dept of Water & Power	Tecogen, Inc.
City of San Jose	MRW & Associates	Tiger Natural Gas, Inc.
Clean Power	Manatt Phelps Phillips	TransCanada
Coast Economic Consulting	Marin Energy Authority	Troutman Sanders LLP
Commercial Energy	McKenna Long & Aldridge LLP	Utility Cost Management
Cool Earth Solar, Inc.	McKenzie & Associates	Utility Power Solutions
County of Tehama - Department of Public Works	Modesto Irrigation District	Utility Specialists
Crossborder Energy	Morgan Stanley	Verizon
Davis Wright Tremaine LLP	NLine Energy, Inc.	Water and Energy Consulting
Day Carter Murphy	NRG Solar	Wellhead Electric Company
Defense Energy Support Center	Nexant, Inc.	Western Manufactured Housing Communities Association (WMA)
Dept of General Services	ORA	YEP Energy
Division of Ratepayer Advocates	Office of Ratepayer Advocates	