

**DEMAND-SIDE  
MANAGEMENT PROGRAMS  
ANNUAL SUMMARY**

Program Years 1994-1997  
May 2006



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# SECTION 1

## **EXECUTIVE SUMMARY**

SDG&E's Demand-Side Management (DSM) activities in 2005 were limited to carryover commitments from program years 1994 through 1997.

Decision 05-10-041 adopts settlement agreements that pertain to all outstanding DSM shareholder earnings claims for Program Years ("PY") 1994, 1995, 1996& 1997. As part of the Settlement Agreement with the Division of Ratepayer Advocates (formerly Office of Ratepayer Advocates), SDG&E will submit the final ninth year retention studies for PY96 and PY97. SDG&E submitted the agreed upon studies on March 1, 2006. This year, the DSM Annual Summary and Technical Appendix encompasses primarily a discussion on the Ninth Year Retention Studies for PY96 and PY97.

**Section II** would normally describe both the residential and nonresidential DSM **Conservation/ Energy Efficiency Programs**. There are no new DSM programs implemented.

**Section III** describes **Load Management Programs** which did continue to be offered in 2005. The Residential Time-Of-Use program (1855 customers) and the Individual Load Curtailment program had moderate activity during 2005. For Individual Load Curtailment program there were 37 participants at the start of the year, by year-end 31 participants remained in the program with 15.3 MW of demand reduction.

**Section IV** would normally describe the **Fuel Substitution Programs** offered, however SDG&E did not carryover any prior years' program activities into 2005.

**Measurement, Forecasting and Regulatory Reporting** activities discussed in **Section VI** continued to play an important role in SDG&E's DSM efforts. Studies agreed to in past proceedings were completed or continued in 2006 to determine program achievements and successes.

**Section VII** describes **Other Demand-Side Management** activities. There were no activities to report for 2005.

**Section VIII** Not applicable since the Settlement supercedes the earnings claim. See D.05-10-041 for the final settlements.

Lastly, **Section IX Miscellaneous** discusses the financing rate program and other pre-1998 program commitments as ordered in D.97-09-117.

Note that there is no separate Technical Appendix for this report as all necessary information has been incorporated.

## SECTION 2

### **CONSERVATION/ENERGY EFFICIENCY**

Not applicable.

## SECTION 3

### LOAD MANAGEMENT

#### Residential Programs

##### Residential Time-Of-Use Rate

###### Description

The objective of the Residential Time-Of-Use (TOU) Rate program is to offer customers an economically attractive rate that will induce them to shift their usage from on-peak to off-peak hours.

###### 2005 Results and Major Accomplishments

During 2005, SDG&E did not proactively market the R-TOU program. Upon request, program information was sent to customers. There were 1855 customers actively participating in the program at year end. Support for customers on these rates include setting and maintaining monitoring equipment, and notifying customers when curtailment is necessary. As a result of the Cost of Service proceeding per Commission Decision 04-12-015 these costs will now be recovered in rates.

###### 2005 Program Costs

Authorized	\$0
Budgeted	\$0
Actual	\$0

Although no funding was authorized by the Commission for this program, it was mandated (by the Commission) that the R-TOU rate remains open.

#### Nonresidential Programs

##### Interruptible/Curtailable: Individual Load Curtailment (ILC)

###### Description

This program's strategy to achieve load reduction is based on implementation the AL-TOU-CP<sup>1</sup> interruptible rate. This rate designed for commercial/industrial customers, was developed to reduce system load during critical peak periods. As a result of the Cost of

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<sup>1</sup> Formerly A-V1, closed on October 1, 2002.

Service proceeding per Commission Decision 04-12-015 these costs will now be recovered in rates.

## 2005 Results and Major Accomplishments

In 2005, ILC customers were called on to curtail as follows:

### AL-TOU-CP 4 Event

In 2005, there were 37 participants on the AL-TOU-CP rate representing 17.3 MW of potential demand reduction, by year end 31 customers representing 15.3 MW.

## SECTION 4

### **FUEL SUBSTITUTION**

Not applicable.

## SECTION 5

### **LOAD RETENTION AND LOAD BUILDING**

Not applicable.

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## **SECTION 6**

### **MEASUREMENT, FORECASTING, AND REGULATORY REPORTING**

#### **Introduction**

Since the 1989 GRC decision, SDG&E's measurement and evaluation (M&E) focus has been to improve the methods used for planning, measuring, and evaluating DSM programs. Efforts have concentrated on improving the level of customer information, as well as on improving estimates of energy and demand impacts. In the 1990 Collaborative program filing (A.90-04-034), SDG&E's 1992 Modified Attrition filing (A.91-03-001), and SDG&E's 1993 General Rate Case filing (A.91-11-024), a methodology for linking shareholder incentives with agreed upon pre-implementation (*ex ante*) program impacts was proposed and adopted, and this was continued through 1993. Direction was also given on the appropriate techniques that should be used for estimating both pre-implementation and post-implementation (*ex post*) program impacts, and SDG&E incorporated those techniques in its measurement and evaluation activities since 1993.

As a result of the M&E Phase in the DSM OIR, the CPUC adopted a comprehensive set of protocols for measuring *ex post* DSM program savings and for linking the results of those measurements to utility earnings. PY94 was the first year for which the adopted M&E Protocols were implemented. These M&E Protocols are updated during the Annual Earnings Assessment Proceeding (AEAP) as a result of recommendations made based on completed utility impact evaluations.

Decision 05-10-041 adopts settlement agreements that pertain to all outstanding DSM shareholder earnings claims for Program Years ("PY") 1994, 1995, 1996& 1997. As part of the Settlement Agreement with the Division of Ratepayer Advocates (formerly Office of Ratepayer Advocates), SDG&E will submit the final ninth year retention studies for PY96 and PY97. SDG&E submitted the agreed upon studies on March 1, 2006. This year, the DSM Annual Summary and Technical Appendix encompasses primarily a discussion on the Ninth Year Retention Studies for PY96 and PY97.

#### **Program Measurement**

Program measurement is the set of activities needed to determine the load impacts, persistence, and performance of existing individual programs or groups of programs, as well as activities needed to conduct process evaluations on existing programs. Associated data collection, analysis, and management, long-run program tracking, (statewide measurement studies), and projects that study DSM program measurement methodologies are also contained in this category. Program measurement includes demand-reducing, load management, and fuel substitution.

SDG&E is committed to the measurement and evaluation process for all of its demand-side management programs. SDG&E conducts program evaluation for two primary reasons: (1) to capture sufficient data to estimate actual load impacts resulting from the implementation of DSM programs as mandated by the M&E Protocols, and (2) to capture

information that will allow SDG&E to improve the effectiveness and efficiency of existing programs and to develop new programs in the future (process evaluation).

The third/fourth year retention studies were completed per the schedule established in Table 8A of the M&E Protocols.

This section provides information that follows the order in which studies are presented in Tables 6.1 and TA-6.1 per the DSM Reporting Requirements Manual, Sixth Edition.

SDG&E submitted ninth year retention studies for PY96/PY97 as required in Table 8A of the M&E Protocols for consideration -in the 2006 AEAP.

### **Retention Studies**

#### Residential Weatherization Retrofit Incentives Program

##### Retention Study

1996 & 1997 RESIDENTIAL WEATHERIZATION RETROFIT INCENTIVES
Ninth Year Retention Evaluation
Study number 991
Megdal & Associates
December 2005

SDG&E's PY96 & PY97 Residential Weatherization Retrofit Incentive Program (RWRI) was part of the DSM Replacement Bid Pilot. To meet the CPUC's goal of DSM bidding, SDG&E contracted with SESCO to operate the RWRI program. SESCO offered free conservation improvements to selected homes, including attic and ceiling insulation, weatherstripping, caulking, outlet insulation, sealing by-passes, low-flow showerheads, water heater and pipe wraps, and compact fluorescent lights.

See the econometrics portion of the report for a description of the modeling and data methods.

The report has been posted to the CALMAC website and can be downloaded from [www.calmac.org](http://www.calmac.org).

#### Residential Appliance Efficiency Incentives Program: High Efficiency Lighting

##### Retention Study

There is no retention study required.

## Residential Appliance Efficiency Incentives Program: High Efficiency Refrigeration Retention Study

1996 & 1997 RESIDENTIAL APPLIANCE EFFICIENCY INCENTIVES: REFRIGERATORS
Ninth Year Retention Evaluation
Study number 982
SDG&E
March 2006

SDG&E's PY96 & PY97 Residential Appliance Efficiency Incentives (RAEI) - High Efficiency Refrigerators was designed to capture potential lost opportunities by encouraging residential customers to purchase higher efficiency units when replacing current refrigerators. The strategy for this program was to (1) offer discounts to customers purchasing refrigerators exceeding federal standards of appliance efficiency and (2) encourage manufacturers to produce higher efficiency units. The program also included freezers.

A customer who participated in SDG&E's RAEI High Efficiency Refrigerator Program received a rebate at the time of purchase. SDG&E's rebates were on a sliding scale, with higher rebates for higher efficiency units. The dealer was required to collect the name, address, telephone number, and refrigerator model, and then submit this documentation to SDG&E for reimbursement. The retention sample for this study was drawn from this database.

See the econometrics portion of the report for a description of the modeling and data methods.

The report has been posted to the CALMAC website and can be downloaded from [www.calmac.org](http://www.calmac.org).

## Commercial Energy Efficiency Incentives Program

### Retention Study

1996 & 1997 COMMERCIAL ENERGY EFFICIENCY INCENTIVES
Ninth Year Retention Evaluation
Study number 994 and 1027
SDG&E
March 2006

SDG&E's PY96 & PY97 Commercial Energy Efficiency Incentives (CEEI) Program was designed to help customers reduce energy costs and increase energy efficiency at their facilities while providing resource value to society.

The CEEI Program was supported through audits, Energy Service Representatives, and Account Executives. The CEEI Program was targeted to existing customers with retrofit opportunities that provided cost-effective DSM energy savings. SDG&E's main marketing strategy for its retrofit program was financial incentives. Three delivery techniques allowed SDG&E the flexibility needed to encourage the adoption of energy efficiency measures.

The first incentive technique offered customers monetary incentives for the installation of standard mechanical and complex custom energy efficient measures. The target market for this program was primarily large assigned customers. SDG&E Account Executives had established long-term business relationships with these customers, creating a trusting atmosphere that enabled the Account Executive to be involved and influential in assisting the customer with major retrofit applications.

The second delivery mechanism was the Power to Save Program marketed to the vast majority of commercial customers by promoting and encouraging the installation of energy efficient lighting and mechanical technologies. Customer participation began with an energy audit and recommendations for energy efficient equipment implementation based upon the audit. Potential program incentives offered under the CEEI Program were highlighted. Customers were encouraged to participate in the CEEI Program by installing the cost-effective energy measures and receiving incentives for those measures.

The third delivery mechanism was Commercial Rebates. These rebates were delivered through appliance/equipment dealers who gave commercial customers an instant cash incentive at the point of purchase. SDG&E reimbursed the dealer for the rebates upon submittal of the appropriate paperwork.

A customer who participated in SDG&E's CEEI was entered into SDG&E's project tracking system. Information regarding customer name, address, phone number, installed measures, measure costs, energy savings and participation date were kept in this database. The retention sample for this study was drawn from this population.

See the econometrics portion of the report for a description of the modeling and data methods.

The report has been posted to the CALMAC website and can be downloaded from [www.calmac.org](http://www.calmac.org).

## Industrial Energy Efficiency Incentives Program

### Retention Study

There is no retention study required.

## Fuel Substitution Program

### Retention Study

1997 FUEL SUBSTITUTION PROGRAM
Ninth Year Retention Evaluation
Study number 1018
SDG&E
March 2006

SDG&E's Program Year 1997 (PY97) Fuel Substitution Program was designed to help customers reduce energy costs and increase energy efficiency at their facilities while providing positive resource value to society.

A customer who participated in SDG&E's Fuel Substitution Program received a rebate upon completed installation of the equipment. Information regarding customer name, address, phone number, installed measures, measure costs, energy savings and participation date were kept in SDG&E's project tracking system. The retention sample for this study was drawn from this database.

See the econometrics portion of the report for a description of the modeling and data methods.

The report has been posted to the CALMAC website and can be downloaded from [www.calmac.org](http://www.calmac.org).

## Agricultural Energy Efficiency Incentives Program

### Retention Study

There is no retention study required.

## Residential Energy Management Services Program

### Retention Study

There is no retention study required.

## Residential New Construction Program

### Retention Study

1996 RESIDENTIAL NEW CONSTRUCTION PROGRAM
Ninth Year Retention Evaluation
Study number 1003
SDG&E
March 2006

SDG&E's PY96 Residential New Construction Program encouraged new homebuilders to incorporate energy saving advanced building technologies and appliances that exceeded Title 24 State Building Energy Efficiency Standards. By so doing, developers were able to take advantage of conservation opportunities at the optimum time. All residential builders who exceeded the space cooling, space heating, or water heating standards of Title 24 by a minimum of five percent were eligible to participate in this program.

Financial incentives were provided to builders to help offset additional costs of installing the more energy-efficient measures of high performance glass, air conditioning, and R-19 wall insulation.

See the econometrics portion of the report for a description of the modeling and data methods.

The report has been posted to the CALMAC website and can be downloaded from [www.calmac.org](http://www.calmac.org).

## Nonresidential New Construction Program

### Retention Study

1996 & 1997 NONRESIDENTIAL NEW CONSTRUCTION PROGRAM
Ninth Year Retention Evaluation
Study number 1006
SDG&E
March 2006

SDG&E's PY96 and PY97 Nonresidential New Construction (NRNC) Program was called "Savings Through Design." The Savings Through Design Program offered 2 options, Performance and Prescriptive.

The Performance Option was designed to encourage the installation of new construction projects that exceeded California's Title 24 Building Energy Efficiency Standards. SDG&E offered free energy efficiency design review services for commercial projects during the planning or design phase. Cash incentives were available to those willing to revise their building plans to exceed Title 24 standards and achieve energy savings of 10% or greater in cooling, heating, lighting, fans/motors, pumps, and/or hot water.

The Savings Through Design Prescriptive Option encouraged the incorporation of energy efficient technologies into the design of commercial buildings which exceeded building energy efficiency standards, including California's Title 24 Standards. This was accomplished by providing assistance with the review of building plans, by offering cash incentives for standard and custom measures, and by educating target audiences through a variety of communication tactics.

A customer who participated in SDG&E's NRNC Program received a rebate upon building completion. Information regarding customer name, address, phone number, installed measures, measure costs, energy savings and participation date were kept in SDG&E's project tracking system. The retention sample for this study was drawn from this database.

See the econometrics portion of the report for a description of the modeling and data methods.

The report has been posted to the CALMAC website and can be downloaded from [www.calmac.org](http://www.calmac.org).

Residential Direct Assistance Program

Retention Study

There is no retention study required.

Commercial Energy Management Services Program

Retention Study

There is no retention study required.

Industrial Energy Management Services Program

Retention Study

There is no retention study required.

Agricultural Energy Management Services Program

Retention Study

There is no retention study required.

**Study reference material****Table 1--Over of data type and survivor curve specification**

Study	Type of Data Used		Type of Specification Used		
	Independent Failures	Dependent Failures	Exponential	Linear	Combination Linear/Exponential
Study 991: 1996 & 1997 Residential Weatherization Retrofit Incentives—Ninth Year Retention Evaluation	X				
Study 982: 1996 & 1997 Residential Appliance Efficiency Incentives: Refrigerators—Ninth Year Retention Evaluation	X		X	X	
Study 1006: 1996 & 1997 Nonresidential New Construction Program—Ninth Year Retention Evaluation	X	X	X		
Study 1003: 1996 Residential New Construction Program—Ninth Year Retention Evaluation	X		X		
Study 994 & 1027: 1996 & 1997 Commercial Energy Efficiency Incentives—Ninth Year Retention Evaluation	X	X	X		

The survivor curves and the expected median lifetimes were estimated using maximum likelihood procedures applied to measure failure data. Independent failures are failures of individual measures. Dependent failures are clusters of measures having failed jointly. Estimated median lifetimes resulted from both types of data. An exponential specification is associated with a constant failure rate over time, while a linear specification point to an increasing rate of failure.

**Statewide Measurement Studies**

The M&E Protocols adopted in D. 93-05-063 in the DSM OIR in May 1993 made provision for CADMAC and also for CADMAC funding of nine statewide studies. To be consistent with the Interim Opinion on Measurement and Evaluation Cost Containment Rules (D.93-10-063), the four California utilities determined that CADMAC funding would come from the one percent funding allocated for CCIG since there was some duplication of statewide efforts.

SDG&E personnel are also subcommittee members on the other seven statewide subcommittees.

**Retrofit Modeling Subcommittee**

The subcommittee was inactive in 2005.

**New Construction Modeling Subcommittee**

The subcommittee was inactive in 2005.

**Persistence Subcommittee**

The subcommittee was inactive in 2005.

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**Base Efficiency Subcommittee**

The subcommittee was inactive in 2005.

**Measure Cost Subcommittee**

The subcommittee was inactive in 2005.

**Residential High Efficiency Refrigerator Subcommittee**

The subcommittee was inactive in 2005.

**Residential High Efficiency Lighting Subcommittee**

The subcommittee was inactive in 2005.

**Market Effects Subcommittee**

The subcommittee was inactive in 2005.

**Process Studies**

No process studies were conducted in 2005.

**Regulatory Compliance & Reporting**

Regulatory Compliance and Reporting is designed to capture activities that are undertaken to meet regulatory reporting oversight, and other obligations and that are not included in Program Measurement and Demand-Side Forecasting and Planning. This category has two subcategories: (1) Regulatory Reporting and Support, and (2) Regulatory Oversight.

**Regulatory Reporting and Support**

Regulatory Reporting and Support consists of those activities needed to verify, collect, and report descriptive and technical information related to the achievements and scope of all authorized DSM programs. Examples are annual DSM reports, filings for shareholder earnings and other DSM proceedings (except CADMAC) including workshop participation, testimony, hearings, and data requests and responses.

**Regulatory Reports**

SDG&E filed its Annual Summary of DSM Activities in May 2005 as required by the Commission. SDG&E worked with regulatory staffs in providing information as requested in an open and timely manner.

**Shareholder Incentives**

See discussion on the AEAP Settlement below.

**Regulatory Oversight**

Regulatory oversight consists of activities related to the administrative costs associated with running the California Demand-Side Management Advisory Committee (CADMAC), the costs of the Commission's Energy Division audits and analysis, and the funds devoted to the verification of utility DSM earnings managed by the Commission's Office of Ratepayer Advocates (ORA).

### CADMAC Administration

The CADMAC is comprised of the four major energy utilities, ORA, the Energy Division, the California Energy Commission, California Institute for Energy Efficiency, Lawrence Berkeley Laboratory/Energy and Environment Division, and Natural Resources Defense. CADMAC responsibilities are outlined in Appendix B of the adopted M&E Protocols. The purpose of the group is to provide a forum for presentations, discussions, and review of DSM program measurement studies underway or completed, to coordinate the development and implementation of measurement studies common to all or most of the utilities, and to facilitate the development of effective, state-of-the-art protocols for measuring and evaluating the impacts of DSM programs.

CADMAC was not active in 2006.

### ORA Evaluation and Analysis

In the Collaborative Settlement Agreement adopted in 1990, SDG&E and the other California utilities committed to contribute funding to a CPUC/ORA evaluation and analysis process. SDG&E has participated in this activity since 1990, and will continue to do so in 2006. The ORA has ultimate discretion over the use of these funds.

### AEAP Settlement

Decision 05-10-041 adopts settlement agreements that pertain to all outstanding DSM shareholder earnings claims for Program Years (“PY”) 1994, 1995, 1996& 1997. As part of the Settlement Agreement with the Division of Ratepayer Advocates (formerly Office of Ratepayer Advocates), SDG&E will submit the final ninth year retention studies for PY96 and PY97. SDG&E submitted the agreed upon studies on March 1, 2006. This year, the DSM Annual Summary and Technical Appendix encompasses primarily a discussion on the Ninth Year Retention Studies for PY96 and PY97.

### Energy Division Audit of Pre-98 Earnings Claims

At the direction of the Commission in Decision (D.) 03-04-055, Energy Division conducted an independent review of retention and persistence studies, via a contract with Skumatz Economic Research Associates, Inc. (SERA). SERA issued its report, “Review of Retention and Persistence Studies for the California Public Utilities Commission” on October 20, 2004.

**TABLE 6.1  
MEASUREMENT, FORECASTING, AND REGULATORY REPORTING EXPENDITURES (2005)**

	2005		
	Authorized	Budgeted	Actual
<b>PROGRAM MEASUREMENT<sup>1</sup></b>			
Retention Studies			\$377,575
Statewide Measurement Studies			\$0
Process Studies			\$0
Other			\$0
Subtotal			\$377,575
<b>DEMAND-SIDE FORECASTING &amp; PLANNING<sup>2</sup></b>			
Load Metering Studies			
CEC Data Collection Plan			\$0
Other Load Metering			\$0
Subtotal			\$0
Saturation Surveys			
CEC Data Collection Plan			\$0
Other Saturation Surveys			\$0
Subtotal			\$0
Market Assessment and Other Research			\$0
New Technology Evaluation			\$0
Long Range Forecasting and Planning			\$0
Subtotal Forecasting and Planning			\$0
<b>REGULATORY COMPLIANCE &amp; REPORTING</b>			
Regulatory Reporting and Support			\$0
Regulatory Oversight			\$0
Subtotal			\$0
<b>TOTAL MFFR</b>			<b>\$377,575</b>

**TABLE TA-6.1  
PROGRAM MEASUREMENT COSTS (2005)**

	<b>Program Year</b>	<b>Study ID</b>	<b>Expenditures</b>
<b>RETENTION STUDIES</b>			
Residential Weather Retrofit Incentives	1995	958	
Residential Weather Retrofit Incentives	1996	991	\$ 9,663
Residential Weather Retrofit Incentives	1997	991	\$ 9,663
Residential Appliance Efficiency Incentives			
Compact Fluorescents	1994	N/A	
Compact Fluorescents	1995	N/A	
Compact Fluorescents	1996	N/A	
Compact Fluorescents	1997	N/A	
High Efficiency Refrigeration	1994	916	
High Efficiency Refrigeration	1995	916	
High Efficiency Refrigeration	1996	982	\$ 12,338
High Efficiency Refrigeration	1997	982	\$ 1,631
C/I/A Energy Efficiency Incentives			
Commercial EEI Programs	1994	925	
Commercial EEI Programs	1995	961	
Commercial EEI Programs	1996	994	\$ 203,102
Commercial EEI Programs	1997	1027	\$ 84,920
Industrial EEI Programs	1994	N/A	
Industrial EEI Programs	1995	N/A	
Industrial EEI Programs	1996	N/A	
Industrial EEI Programs	1997	N/A	
Agricultural EEI Programs	1995	N/A	
Agricultural EEI Programs	1996	N/A	
Agricultural EEI Programs	1997	N/A	
Retrofit Energy Efficiency Subtotal			\$ 321,317
Fuel Substitution Program	1997	1018	\$ 1,250
Residential New Construction			
Residential New Construction	1994	934	
Residential New Construction	1995	970	
Residential New Construction	1996	1003	\$ 2,690
Nonresidential New Construction	1994	937	
Nonresidential New Construction	1995	973	
Nonresidential New Construction	1996	1006	\$ 18,776
Nonresidential New Construction	1997	1006	\$ 33,542
New Construction Subtotal			\$ 55,008
Residential Energy Management Services			
Commercial Energy Management Services	N/A	N/A	
Industrial Energy Management Services	N/A	N/A	
Energy Management Services Subtotal			\$0
Direct Assistance			
Direct Assistance Subtotal	1994-1997	N/A	\$0
Retention Studies Subtotal			\$ 377,575
<b>PROCESS AND OTHER</b>			
Process and Other Studies Subtotal			
<b>STATEWIDE STUDIES</b>			
Modelling Standards -- Retrofit Programs		N/A	
Modelling Standards -- New Construction Programs		N/A	
Persistence Studies		N/A	
Base Efficiency Studies		N/A	
Measure Cost Study		N/A	
Residential High Efficiency Refrigerator Studies		N/A	
Residential High Efficiency Lighting Studies		N/A	
Quality Assurance Standards for Metering & Monitoring Equipment		N/A	
Market Effects Studies		N/A	
Statewide Study Subtotal			
<b>TOTAL PROGRAM MEASUREMENT</b>			<b>\$ 377,575</b>

**TABLE TA-6.1  
PROGRAM MEASUREMENT COSTS (2005)**

	<b>Program Year</b>	<b>Study ID</b>	<b>Expenditures</b>
<b>RETENTION STUDIES</b>			
Residential Weather Retrofit Incentives	1995	958	
Residential Weather Retrofit Incentives	1996	991	\$ 9,663
Residential Weather Retrofit Incentives	1997	991	\$ 9,663
Residential Appliance Efficiency Incentives			
Compact Fluorescents	1994	N/A	
Compact Fluorescents	1995	N/A	
Compact Fluorescents	1996	N/A	
Compact Fluorescents	1997	N/A	
High Efficiency Refrigeration	1994	916	
High Efficiency Refrigeration	1995	916	
High Efficiency Refrigeration	1996	982	\$ 12,338
High Efficiency Refrigeration	1997	982	\$ 1,631
C/I/A Energy Efficiency Incentives			
Commercial EEI Programs	1994	925	
Commercial EEI Programs	1995	961	
Commercial EEI Programs	1996	994	\$ 203,102
Commercial EEI Programs	1997	1027	\$ 84,920
Industrial EEI Programs	1994	N/A	
Industrial EEI Programs	1995	N/A	
Industrial EEI Programs	1996	N/A	
Industrial EEI Programs	1997	N/A	
Agricultural EEI Programs	1995	N/A	
Agricultural EEI Programs	1996	N/A	
Agricultural EEI Programs	1997	N/A	
Retrofit Energy Efficiency Subtotal			\$ 321,317
Fuel Substitution Program	1997	N/A	\$ 1,250
Residential New Construction			
Residential New Construction	1994	934	
Residential New Construction	1995	970	
Residential New Construction	1996	1003	\$ 2,690
Nonresidential New Construction			
Nonresidential New Construction	1994	937	
Nonresidential New Construction	1995	973	
Nonresidential New Construction	1996	1006	\$ 18,776
Nonresidential New Construction	1997	1006	\$ 33,542
New Construction Subtotal			\$ 55,008

**TABLE TA-6.1  
PROGRAM MEASUREMENT COSTS (2005)**

	<b>Program Year</b>	<b>Study ID</b>	<b>Expenditures</b>
Residential Energy Management Services	N/A	N/A	
Commercial Energy Management Services	N/A	N/A	
Industrial Energy Management Services	N/A	N/A	
Energy Management Services Subtotal			\$0
Direct Assistance	1994-1997	N/A	
Direct Assistance Subtotal			\$0
Retention Studies Subtotal			\$ 377,575
<b>PROCESS AND OTHER</b>			
Process and Other Studies Subtotal			
<b>STATEWIDE STUDIES</b>			
Modelling Standards -- Retrofit Programs		N/A	
Modelling Standards -- New Construction Programs		N/A	
Persistence Studies		N/A	
Base Efficiency Studies		N/A	
Measure Cost Study		N/A	
Residential High Efficiency Refrigerator Studies		N/A	
Residential High Efficiency Lighting Studies		N/A	
Quality Assurance Standards for Metering & Monitoring Equipment		N/A	
Market Effects Studies		N/A	
Statewide Study Subtotal			
<b>TOTAL PROGRAM MEASUREMENT</b>			<b>\$ 377,575</b>

**TABLE TA-6.2  
DEMAND-SIDE FORECASTING AND PLANNING  
EXPENDITURES (2005)**

The CEC Data Collection and Analysis activities are documented in the Market Assessment and Evaluation section of the Energy Efficiency Programs, Annual Summary and Technical Appendix 2005 Results-2006 plans.

## SECTION 7

### **OTHER DEMAND-SIDE MANAGEMENT**

Not applicable.

## SECTION 8

### **SHAREHOLDER EARNINGS**

Decision 05-10-041 adopts settlement agreements that pertain to all outstanding DSM shareholder earnings claims for Program Years (“PY”) 1994, 1995, 1996& 1997. As part of the Settlement Agreement with the Division of Ratepayer Advocates (formerly Office of Ratepayer Advocates), SDG&E will submit the final ninth year retention studies for PY96 and PY97. SDG&E submitted the agreed upon studies on March 1, 2006. This year, the DSM Annual Summary and Technical Appendix encompasses primarily a discussion on the Ninth Year Retention Studies for PY96 and PY97.

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## **SECTION 9**

### **MISCELLANEOUS**

#### **Pre-1998 Commitments**

The Commission in Decision 97-09-117, Ordering Paragraph 12, directed PG&E, SDG&E, SCE, and SoCalGas (collectively referred to as “utilities”) to modify the scope and content of their Annual DSM Reports to include a separate section identified as pre-1998 program commitments. Table 9-1 provides the 2005 expenditures associated with pre-1998 commitments. An explanation of the commitments is provided below.

#### **Residential Programs**

The pre 1998 Residential Energy Efficiency programs actual expenditures reflect payments made for activities/services related to the DSM Bidding Pilot Program.

#### **Nonresidential Programs**

No activities to report for 2006.

#### **New Construction Programs**

No activities to report for 2006.

#### **Load Management**

2006 Load Management expenses are related to supporting the CPUC mandated load curtailment rates. Support for customers on these rates include setting and maintaining monitoring equipment and notifying customers when curtailment is necessary.

See Section III Load Management program for a description of program activities.

#### **Other DSM**

No activities to report for 2005.

#### **DSM Financing Rate**

In December 1993, SDG&E received approval from the CPUC to establish a pilot financing program. Using DSM funds, the program provides a customer with the ability to finance the cost (total project cost minus SDG&E incentive) of acquiring and installing energy efficient equipment. Financing is available on equipment that qualifies under SDG&E nonresidential DSM incentive programs.

The amount financed is reimbursed to SDG&E through a \$/kWh surcharge applied to a participating customer’s monthly energy bill. The surcharge is based upon an expected reimbursement term, estimated annual consumption, and the amount financed by SDG&E.

In 1998, SDG&E no longer offered the DSM Financing Rate program. However, SDG&E was contractually obligated to continue administration and track activities related to the outstanding financing rate agreements. To date the defaults on Financing Rate Agreements equal \$11,740. SDG&E continues to collect on outstanding loan balances. The December 2005 year-end balance is \$142 See Table 9-2.

In 2006, SDG&E will continue to administer and track activities related to the outstanding financing rate agreements.

**San Diego Gas & Electric**  
**Year-to-Date Thru: December 2005**  
**Demand-Side Management Monthly Expenditure Report**  
(Pre-1998 DSM Commitments Only)  
Annual Estimated Commitments<sup>1</sup> & 2005 Year-To-Date Actuals  
(\$ in thousands)

Program Category	2005					
	Electric		Gas		Total	
	Commitment	YTD Actual	Commitment	YTD Actual	Commitment	YTD Actual
(a)	(b)	(c)	(d)	(e)	(b)+(d)=(f)	(c)+(e)=(g)
1 Energy Efficiency						
2 Residential						
3 Appliance Efficiency Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4 DSM Bidding Pilot	\$ 4,130	\$ 6	\$ 1,029	\$ 5	\$ 5,158	\$ 12
5 Energy Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
6 New Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
7 Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8 Subtotal	\$ 4,130	\$ 6	\$ 1,029	\$ 5	\$ 5,158	\$ 12
9 Nonresidential						
10 Energy Efficiency Incentives	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
11 DSM Bidding Pilot	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
12 Energy Management Services	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
13 New Construction	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
14 Information	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
15 Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
16 Energy Efficiency Subtotal	\$ 4,130	\$ 6	\$ 1,029	\$ 5	\$ 5,158	\$ 12
17						
18 Low Income						
19 Non-mandatory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
20 Mandatory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
21 Low Income Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
22						
23 Load Management <sup>2</sup>	\$ 10	\$ 1	\$ -	\$ -	\$ 10	\$ 1
24						
25 Fuel Substitution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
26						
27 Load Retention & Load Building	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
28						
29 MFRR						
30 Program Measurement	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
31 Demand Forecasting & Planning	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
32 Reg. Compliance & Reporting	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
33 MFRR Subtotal	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
34						
35 Other DSM	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
36						
37 DSM Total (Pre-1998 Commitments)	\$ 4,140	\$ 8	\$ 1,029	\$ 5	\$ 5,168	\$ 13
38 Low Income Total Only	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
39 DSM w/o Low Income Total	\$ 4,140	\$ 8	\$ 1,029	\$ 5	\$ 5,168	\$ 13

<sup>1</sup> - Figures represent estimated costs associated with pre-1998 DSM activities including customer incentives, expected admin. costs, unpaid invoices and all other encumbrances.

<sup>2</sup> - Load Management commitment dollars represent 2004 year end expenditures paid in 2005. These estimated amounts relate to costs associated with the continued maintenance of existing participants and enrollment of new customers that qualify for the rate schedule(s). Load management budgetary requirements are assumed for reporting purposes to extend

**Table 9-2**  
**2005 DSM FINANCING RATE**

<b>DSM Financing Rate Activity Summary</b>						
	01-Jan Beginning Balance [1]	Contracted Amount Released [2]	Interest Charged [3]	Customer Repayments [4]	31-Dec Balance(a) (1+2+3-4) [5]	Admin Costs
Energy Efficiency Loans	\$138	\$0	\$4	\$0	\$142	\$0

Notes:

1. To-date, the defaults on Financing Rate agreements equal \$11,740.