

February 3, 2003

The Honorable Sarah R. Thomas
Administrative Law Judge (ALJ)
California Public Utilities Commission
505 Van Ness Avenue
San Francisco, California 94102

Re: Rulemaking 01-08-028 – Southern California Edison Company’s 2002
Energy Efficiency Programs Fourth Quarter Report

Dear Judge Thomas:

Enclosed is Southern California Edison Company’s 2002 Energy Efficiency Programs Fourth Quarter Report, submitted pursuant to the California Public Utilities Commission’s Energy Efficiency Policy Manual adopted in Decision 01-11-066.

Thank you for your courtesy in this matter.

Best regards,

Janet S. Combs

cc: Zenaida Tapawan-Conway, Energy Division
Zaida Amaya, Energy Division (via email)

JSC:cr:LW030310016

Enclosure



(U 338-E)

Rulemaking No. 01-08-028

**Southern California Edison Company's
2002 Energy Efficiency Programs
Fourth Quarter Report**

February 2003

**Southern California Edison Company's
2002 Energy Efficiency Programs
Fourth Quarter Report**

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Program Title: **Residential Appliance Recycling Program**

I. Program Overview

The Residential Appliance Recycling Program (RARP) is a statewide investor-owned utilities (IOU) program designed to reduce energy usage by allowing eligible residential customers (single family and multifamily owners/landlords and tenants) to dispose of their working, inefficient primary and secondary refrigerators and freezers in an environmentally safe manner. A recycling incentive of \$35 or a five-pack of compact fluorescent lamps (CFLs) is offered to customers for participation. The program covers the service territories of Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas & Electric (SDG&E).

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget

Original Budget = \$4,000,000

Fundshift Amount = \$750,000

Revised Total Program Budget = \$4,750,000

Expenditures to date (including program commitments) = \$4,743,000

2. Total net demand reduction and energy savings:

	Net kW*	Net kWh*	Units*
Projected	6,835	44,644,228	25,047
Actual	5,316	33,003,000	19,103
Committed	514	1,804,400	813
Total Recorded	5,528	34,388,000	19,916

*In Advice 1650-E, SCE requested to shift \$0.710 million to this program. The additional funding allows an estimated 4,512 additional units to be recycled with an additional energy and demand savings of 7,782 MWh and 1,192 kW.

3. Total number of customers served:

Projected: 21,500

Actual: 27,831

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4. Projected and actual number of units:
Please refer to program activity tables in corresponding program workbook.
5. Total rebate (\$) paid:
Paid = \$4,065,314, Committed = \$266,011.

III. Program Implementation Status

1. Status of program delivery
SCE shifted \$40,000 from the Single Family Energy Efficiency Rebate program to meet the expected fourth quarter demand of the Appliance Recycling program. The shift did not impair the Single Family Energy Efficiency Rebate program from realizing its potential during the quarter. This was in addition to the \$710,000 from first quarter unspent funds that was shifted into the program during the third quarter.
2. Customer Enrollment
Two blank copies of the Appliance Recycling program application forms were sent to the Commission's Energy Division.
3. Workbook
Please refer to the informational tables shown in the corresponding program workbook for details on program expenditures and activities.
4. Training
The program did not sponsor any training during the quarter.
5. Marketing
Efforts continued to be coordinated utilizing the *FlexYourPower* campaign to leverage program offerings, which took place through distributing their advertisement with all refrigerator pick-ups.
6. Hard to Reach
Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

In the fourth quarter of 2002, 57% of the units collected in SCE's service territory were from hard-to-reach geographic areas defined as rural, moderate income and/or multifamily. SCE's 2002 revised goal is to have 57% of the units collected from this customer segment.

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IV. Program Accomplishments

- For the year, 27,831 units were collected in the SCE service territory.
- Customers received incentive checks within 10 business days of pick up.

V. Program Challenges

SCE shifted \$40,000 from the Single Family Energy Efficiency Rebate program to meet the expected fourth quarter demand of the Appliance Recycling program. The shift did not impair the Single Family Energy Efficiency Rebate program from realizing its potential during the quarter. This was in addition to the \$710,000 from first quarter unspent funds that was shifted into the program during the third quarter.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 -

“We set the refrigerator/freezer recycling incentive payment at \$35, with the option for an energy efficiency product incentive (i.e., a five pack of compact fluorescent light bulbs) in exchange for the removal of an operable primary or secondary unit.” (mimeo, p.12)

Response -

The Residential Appliance Recycling program provides customers with a \$35 incentive or a five pack of compact fluorescent light bulbs in exchange for the removal of an operable primary or secondary refrigerator or freezer.

Decision 02-03-056 -

“The IOUs shall run this program at a unit cost of \$200 per unit.” (mimeo, p.13)

Response –

The IOUs have designed a cost efficient program that costs less than the CPUC’s required \$200 per unit costs.

Decision 02-03-056 -

“We will reduce administrative expense by appointing Edison as the one administrator to oversee the appliance recycling program statewide.” (mimeo, p.13)

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Response –

SCE has taken the lead in administering the Residential Appliance Recycling program in 2002.

Decision 02-03-056 -

“PG&E and SDG&E should arrange to transfer funds to Edison for payment purposes.” (mimeo, p.14)

Response –

The IOUs have entered into a funding transfer agreement to transfer funds from PG&E and SDG&E to SCE in support of this program.

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Program Title: **Single Family Energy Efficiency Rebates Program**

I. Program Overview

The Single Family Energy Efficiency Rebates program is a statewide program, administered by the four California investor-owned utilities, which provides rebates on various home improvement products, heating and cooling equipment, appliances, and residential pool equipment.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget

Original Budget = \$5,850,000

Fundshift Amount = (\$40,000)

Revised Total Program Budget = \$5,810,000

Expenditures to date (including program commitments) = \$5,681,615

2. Total net demand reduction and energy savings

	Net kW	Net kWh
Projected	6,770	19,039,000
Actual	6,805	11,091,000
Committed	4,428	8,368,000
Total Recorded	11,233	19,459,000

3. Total number of customers served:

Projected: Projection of the number of customers to be served was not provided in the implementation plan.

Actual: 34,983 residential customer rebate applications received for the Single Family Rebate Program.

4. Projected and actual number of units:

Please refer to tables shown in corresponding program workbook.

5. Total rebate (\$) paid:

Paid = \$2,448,885, Committed = \$1,417,269

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III. Program Implementation Status

1. Status of program delivery

During the fourth quarter, eligible statewide utilities continued a contractor bonus program effective September 23, 2002, for the installation of qualified pool pumps and motors. The bonus encourages contractors to actively solicit an increase in customer participation by offering an additional \$100 for qualified installations.

During the last quarter, SCE focused promotion efforts on all measures and particularly those that provided customers with the highest level of energy savings. Targeted mailings to hard-to-reach customers were conducted promoting pool pumps and motors and programmable thermostats.

SCE shifted \$40,000 from the Single Family Energy Efficiency Rebate program to meet the expected fourth quarter demand of the Appliance Recycling program. The shift did not impair the Single Family Energy Efficiency Rebate program from realizing its potential during the quarter.

2. Customer Enrollment

Two blank copies of SCE's single-family rebate application form were sent to the California Public Utilities Commission's Energy Division.

3. Workbook

Please refer to the informational tables shown in corresponding program workbooks for details of program expenditures and activities.

4. Training

No statewide training was conducted during the fourth quarter of 2002.

5. Marketing

List Pieces	Quantity	Method of Delivery	# w/Each Method
Applications	6,666	Mail	6,666
Programmable Thermostat Flyer	6.8 Million	Bill Insert	6.8 Million
Shared Mail re: Programmable Thermostats	3.5 Million	Mail	3.5 Million
20/20 Mailer: Programmable Thermostats	1.2 Million	Mail/Bill Insert	1.2 Million

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6. Hard-to-Reach

Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

For the fourth quarter of 2002, the Single Family Rebate program received 39% of program applications from HTR areas. This surpasses our goal of 34%.

IV. Program Accomplishments

- Statewide utilities worked jointly to maintain interest in the program by meeting with other agencies to discuss planning efforts and potential opportunities for 2003. Meetings which took place during the fourth quarter include the CEE , ENERGY STAR[®] and Lenox.
- During the fourth quarter, the statewide utilities continued their work in coordinating with other partners to promote the benefits of the statewide Single Family Home Energy Efficiency Rebate program in order to deliver enhanced energy savings throughout the state of California, including Flex Your power, Univision and the US DOE/EPA sponsored ENERGY STAR[®] program and ENERGY STAR[®] Partners to promote energy efficiency in California.

SCE specific activities included:

- During the fourth quarter, SCE implemented a pilot to promote programmable thermostats through a point-of-sale rebate in coordination with three major retailers. This pilot was an attempt to invigorate the lagging market for programmable thermostats and to overcome lackluster performance by other measures within the program such as pool pumps and motors. The pilot was extremely successful, as it resulted in over 8,000 units installed during the last few weeks of the quarter. SCE also implemented a series of mailings to customers, encouraging the purchase and installation of programmable thermostats independent of the point-of-sale effort. This effort, too, was highly successful, resulting in more than 5,000 installations throughout the quarter. These additional efforts were essential in achieving the overall program targets.
- SCE implemented an incentive to pool retailers and contractors, offering a \$100 rebate for each unit installed. This effort resulted in approximately 200 installations in the last quarter.

V. Program Challenges

In 2002, the residential market responded differently than anticipated. Measures with typically lower energy savings such as appliances and water heaters continued to move faster in 2002 than some higher cost and more energy saving

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items such as HVAC, whole house fans and pool equipment. Although program took significant steps to react to conditions and to make changes, a nine-month program provided less time to respond and to implement new program designs.

In addition, decreased incentives on some of these measures resulted in decreased customer interest. As a result of incentives lower than those of 2001, retailers decreased marketing efforts, which ultimately effected customer participation rates. A prime example of this was whole house fan and pool rebates, which were both lowered in 2002.

SCE shifted \$40,000 from the Single Family Energy Efficiency Rebate program to meet the expected fourth quarter demand of the Appliance Recycling program. The shift did not impair the Single Family Energy Efficiency Rebate program from realizing its potential during the quarter.

VI. Customer Disputes

To date there have been no formal disputes logged against this program.

VII. Compliance Items

There are no program-specific compliance items issued by the California Public Utilities Commission regarding this program.

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Program Title: **Residential Retrofit Multifamily Energy Efficiency Rebates**

I. Program Overview

The 2002 Multifamily Energy Efficiency Rebate program is a statewide program providing a broad list of qualifying energy efficiency measures. Prescribed rebates are available for the installation of qualifying energy-efficient improvements in apartment dwelling units and in the common areas of apartment and condominium complexes, and common areas of mobile home parks. Property owners and property managers of existing residential multifamily complexes with five or more dwelling units may qualify. The program is uniform throughout all the investor-owned utilities' (IOUs) service areas, with consistent terms and requirements and implementation characteristics, including rebate levels and application procedures.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget

Original Budget = \$2,000,000

Fundshift Amount = \$70,000

Revised Total Program Budget = \$2,070,000

Expenditures to date (including program commitments) = \$2,067,314

2. Total net demand reduction and energy savings:

	Net Peak kW	Net kWh
Target	1,090	8,850,000
Actual	180	2,658,166
Committed	275	3,807,465
Total Recorded	455	6,465,631

3. Total number of customers served:

Projected: No projection included in the program implementation plan

Actual: 165 applications

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4. Projected and actual number of units:
Please refer to program activity tables in corresponding program workbook.
5. Total rebate (\$) paid
Paid = \$ 952,163, Committed = \$589,792.

III. Program Implementation Status

1. Status of program delivery

During the fourth quarter, the IOUs offered incentives to property owners, managers and contractors for targeting, marketing, and installing several eligible energy-efficient products in apartment dwelling units and common areas. The applicable measures and incentive amounts for each are as follows:

- \$5 per CFL. This incentive coupled with the prescribed CFL \$2 rebate offered program participants \$7 per CFL.
- \$10 added for each installed ENERGY STAR[®] labeled programmable thermostat for a total of \$30 each.
- \$250 supplement for natural gas water heater and/or boiler controllers for boilers serving 20 or more residential units.
- The IOUs expanded the options for central system controllers to include a non-graphing unit that is less expensive than digital graphing units, which made installation of the measure more affordable to hard-to-reach, small, multifamily property owners.
- SCE adjusted incentive allocations among the program's measures to reflect customer demand. Energy savings and demand savings targets for the program were not affected.
- SCE shifted funds from the residential Home Energy Efficiency Surveys to the residential Multifamily Energy Efficiency Rebate program to meet increased customer demand caused by the increase in the CFL incentive levels.

2. Customer Enrollment

Two blank copies of SCE's multifamily rebate application form were sent to the California Public Utilities Commission's Energy Division.

3. Workbook

Please refer to the informational tables shown in the corresponding program workbook for details on program expenditures and activities.

4. Training

The program did not sponsor any training during the quarter.

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5. Marketing

Marketing Piece	Quantity	Method of Delivery	No. Per Method
Multifamily Energy Efficiency Rebate Program Application Package	1	Distributed through: Energy Efficiency Call Center Representatives and voice response unit SCE Energy Efficiency Website	Toll free calls: 800 Web site: --
Brochure: "Save Energy Save Money"	250,000	Various methods: Call Centers, Public Relations, and Other SCE Internal Leveraging	7,500 (est.)
Article: "Take Advantage of the 2002 Multifamily Energy Efficiency Rebates", Official California Apartment Journal, June 2002	1	Monthly Periodical published by Apartment Association of California Southern Cities	2,500 Multifamily Property Owners/Managers and interested 3 rd parties.
Multifamily Energy Efficiency Rebate Program Fact Sheet	10,000	Various methods: Trade Shows, Call Centers, Public Relations, and Other SCE Internal Leveraging	3,000 Multifamily Property Owners/Managers and interested 3 rd parties.
Multifamily Energy Efficiency Rebate Program Brochure	20,000	Various methods: Trade Shows, Call Centers, Public Relations, and Other SCE Internal Leveraging	2,200 Multifamily Property Owners/Managers and interested 3 rd parties.
Bill Message	1	Billing statement message on September customer bills	9,000 multifamily owner/manager customer accounts
Post Card Direct Mail Piece	59,000	Post card mailer promoting CFL rebates	Mailed to approximately 59,000 property owners/managers.

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Multi-Family Web Page

http://www.sce.com/sc3/011_Reb_Off/011a_FYH/011a1_reb_off/011a1e_multifamily/default.htm

Application (PDF)

http://www.sce.com/sc3/common/multifamily_rebate_form_2002

6. Hard-to-Reach

Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

As of the fourth quarter of 2002, approximately 74% of the Multifamily Rebate program applications were from hard-to-reach customer segments.

IV. Program Accomplishments

Statewide fourth quarter activities include:

- In December, all four IOUs presented programs at the Strategic Energy Innovations, the California Energy Commission and Rebuild America CA Multifamily Consortium Forum. The Multifamily Consortium met with multifamily industry leaders to identify and understand key resources for energy efficiency projects and how to leverage them, to hear success stories, and to learn how to overcome barriers facing energy efficiency.

SCE-specific activities:

- SCE's Multifamily program includes exchanges of fluorescent torchiere lamps. During the fourth quarter, SCE conducted nine one-day torchiere exchange events resulting in over 3,600 halogen torchieres exchanged for energy saving fluorescent torchieres. The predominant customer markets served during these events were senior citizens and the Asian, Latino, and African American ethnic groups.

V. Program Challenges

- The measures and rebates selected for the 2002 Multifamily program were based on the successes of the 2001 program and promoted a comprehensive mix of measures. However, the market did not respond as anticipated. The IOUs modified the program providing higher rebates and incentives to property owners, managers and their contractors for particular measures. The market responded positively to these program modifications.
- Low customer participation levels were countered with a \$5 per CFL incentive to the contractors of multifamily property owners or

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managers for targeting, marketing, and installing CFLs at eligible customer sites. Additionally, SCE moved incentive funds from low-demand measures and made those incentives available for high-demand measures such interior and exterior hardwired fixtures and CFLs. As a direct result of these strategic moves, over 100,000 CFLs and 500 additional hardwired fixtures were installed.

- SCE shifted funds from the residential Home Energy Efficiency Surveys to the residential Multifamily Energy Efficiency Rebate program to meet increased customer demand caused by the increase in the CFL incentive levels.

VI. Customer Disputes

None.

VII. Compliance Items

There are no program specific compliance items issued by the California Public Utilities Commission regarding this program.

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Program Title: **Home Energy Efficiency Survey Program**

I. Program Overview

The Home Energy Efficiency Survey (HEES) Program employs two delivery channels: mail-in surveys, which include targeted direct mailings, and the interactive online survey, which provides immediate results online, to provide customers with valuable information they can apply to assist them with understanding, controlling and reducing energy use in their homes.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget

Original Budget = \$900,000

Fundshift Amount = (\$70,000)

Revised Total Program Budget = \$830,000

Expenditures to date (including program commitments) = \$799,147.

Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.

3. Total number of customers served:

	Mail-In Survey	Online Survey	Total Surveys
Target	18,000	12,000	30,000
Actual	20,100	10,057	30,157

4. Projected and actual number of units:

Please refer to tables shown in corresponding program workbook.

5. Total rebate (\$) paid.

Not applicable to this information program.

III. Program Implementation Status

1. Status of program delivery

SCE offered customers marketing promotions (e.g., free movie rental) during the fourth quarter to increase participation in both the mail-in and online

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surveys. As a result, SCE experience significant increase in customer participation especially with the on-line surveys.

SCE shifted funds from the HEES program to the residential Multifamily Energy Efficiency Rebate program to meet increased customer demand.

2. Customer Enrollment
Sample copies of these audits, in all languages, were sent to the CPUC's Energy Division.
3. Workbook
Please refer to informational tables shown in the corresponding program workbook for details of program expenditures and program activities.
4. Training
Customer training is typically not conducted due to the nature of the program.
5. Marketing

List Pieces	Quantity	Method of Delivery	Number Each Method
On Line Interactive Survey available on website	7,437 on line surveys completed during fourth quarter.	website	7,437 on line surveys completed during fourth quarter.
Direct Mail Solicitation Packages	190,000 solicitation packages were mailed.	Direct mailings with emphasis on HTR customers including Spanish and Chinese Languages.	190,000 letters/surveys
Online Survey e-mail Blast	1,756,000 customers	e-mail	7,437 online surveys completed in the fourth quarter.
Online Advertising with Yahoo, AOL, and local and regional web sites	4,090,200 online ad impressions.	Internet	7,437 online surveys completed in the fourth quarter.

6. Hard-to-Reach
Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

The 2002 hard-to-reach (HTR) goal is to send at least 50% of mailed surveys to HTR customers as defined by the Commission. Historically, customer

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interest in completing these surveys peaks during the fall and winter seasons. SCE made a major push in the fourth quarter resulting in 115,000 mailings to HTR customers in SCE's service territory.

IV. Program Accomplishments

During the fourth quarter, utilities met jointly with the statewide vendor to discuss possible program improvements and status of program delivery.

SCE-specific activities included:

SCE continued with its direct mailings of solicitation packages with an emphasis on the HTR customers.

SCE launched a major online marketing campaign for online surveys that included 1.7 million e-mail blasts and a variety of banner ads on eight local and regional web sites and web service providers.

SCE launched a radio campaign to promote online surveys in seven metropolitan regions.

V. Program Challenges

Although statewide utilities met the Commission's overall performance objectives for Energy Efficiency Surveys, the mix of online and mail-in surveys is largely determined by customer access to the online website, and their willingness to perform an online audit. In 2002, customer participation was higher for mail in rather than online audit requests.

SCE shifted funds from the HEES program to the residential Multifamily Energy Efficiency Rebate program to meet increased customer demand.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 –

“At least 50% of the mailed statewide residential Home Energy Efficiency Surveys shall be sent to hard-to-reach customers. The IOUs shall develop and make available a Spanish-language version of the survey, and a version in the most prevalent Asian language in the IOU's territory, for both mailing and web-posting within two months of the launch of their survey programs.” [Ordering Paragraph No. 5, p. 62]

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Response -

IOU's are actively targeting HTR customers via direct mailing efforts on a statewide basis. At SCE these efforts began during mid-July. SCE met the Commission's mandate for making Spanish and Asian language version surveys available for web posting within two months of the programs launch date.

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Program Title: **California ENERGY STAR® New Homes Programs**

- California ENERGY STAR® New Homes – Multi-Family (“MF”)
- California ENERGY STAR® New Homes – Single Family (“SF”)

I. Program Overview

The California Energy Star New Homes Programs (“CESNHP”) are designed to encourage single family and multi-family (including rental apartments, condominiums, townhomes; as well as high-rise buildings on a pilot basis) builders to construct homes that exceed Title 24 through a combination of financial incentives, design assistance, and education. These performance-based programs are designed to encourage homebuilders to construct single family and multi-family dwellings that are 15% and 20% more efficient than required by the 2001 Residential Energy Efficiency Standards – initiated in State Assembly Bill (AB) 970. The 15% level has been designated by the EPA as the new Energy Star® homes baseline for California, subsequent to the Title 24 revisions (2001 Standards) brought about in AB 970. As a result, buyers of **single-family homes, and renters of multifamily** have energy-efficient, money-saving, comfort and quality alternatives compared to standard new housing.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total Program Budgets

Single Family -

Original Budget = \$3,500,000

Fundshift Amount = \$50,000

Revised Total Program Budget = \$3,550,000

Expenditures to date (including program commitments) = \$4,862,424

Multi-Family -

Original Budget = \$500,000

Fundshift Amount = \$155,000

Revised Total Program Budget = \$655,000

Expenditures to date (including program commitments) = \$607,184

2. Total net demand reduction and energy savings:

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Single Family

	Net Peak kW	Net kWh
Target	3,100	3,587,580
Actual	-	-
Committed	4,962	4,199,000
Total Recorded	4,962	4,199,000

Multi-Family

	Net Peak kW	Net kWh
Target	402	358,000
Actual	-	-
Committed	885	669,000
Total Recorded	885	669,000

Total

	Net Peak kW	Net kWh
Target	3,502	3,945,580
Actual	-	-
Committed	5,847	4,868,000
Total Recorded	5,847	4,868,000

3. Customers Served

See number of units recorded in table shown below.

4. Projected and actual number of units:

	Single Family	Multi-Family
Target	4,720	2,000
Actual	-	-
Committed	5,234	2,030
Total Recorded	5,234	2,030

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5. Total rebate (\$) paid:

	Single Family	Multi-Family	Total
Actual	-	-	-
Committed	\$3,573,000	\$419,300	\$3,992,300
Total Recorded	\$3,573,000	\$419,300	\$3,992,300

III. Program Implementation Status

1. Status of program delivery

During the implementation of the program, it was determined that the MF industry had very little experience with the HERS (Home Efficiency Rating System) industry and the process of hiring a HERS rater. In an effort to expedite the familiarity of the HERS rater industry to the multi-family market, the IOUs decided to offset the cost/process by paying the fee (up to \$50 per dwelling unit) of the HERS ratings, or providing the service to the multi-family builders. As of November, Southern California Edison and PG&E began offering compensation for HERS ratings to the multi-family program participants, while SoCalGas and SDG&E provided HERS ratings for their participants.

To meet an expected growing demand for SCE's new Multi-family New Construction program, SCE shifted \$205,000 from unspent first quarter 2002 activities, as stated in Advice 1650-E, dated September 9, 2002. Late in the fourth, SCE shifted \$50,000 from the Multi-family New Construction to meet a surge in the demand for the Single Family New Construction program.

4. Customer Enrollment

Two blank copies of the program's application forms were sent to the CPUC's Energy Division.

5. Workbook

Please refer to the informational tables shown in Attachment A for details of program expenditures and activities.

6. Training

The program did not sponsor any external training during the 4th quarter.

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7. Marketing

List Pieces	Quantity	Method of Delivery	# w/Each Method
MF Applications	100	Building Industry Show, Long Beach Convention Center, November 7 & 8.	100
SF Applications	200	Building Industry Show, Long Beach Convention Center, November 7 & 8.	200
Tri-fold Brochure	1,000	Building Industry Show, Long Beach Convention Center, November 7 & 8.	1,000
Statewide Mousepad	1,000	Building Industry Show, Long Beach Convention Center, November 7 & 8.	200

8. Hard-to-Reach

Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

HTR Goal - 20% of direct implementation funds need to be directed to the Hard-to-Reach markets.

HTR Result - By year-end, SCE had committed 43% of its direct implementation funds to HTR customers.

IV. Program Accomplishments

Statewide -

- CESNHP was awarded the Energy Star Partner of the Year Award. This prestigious award was given to the IOUs for CESNHP's outstanding program design.

SCE -

- On October 16, 2002 attended the California Building Industry Association's (CBIA) Legislative Conference where the statewide CESNHP was presented at the Energy Sub-Committee meeting.

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- On December 6, 2002 co-sponsored a display table at the BIA/LA - Ventura quarterly PASS luncheon.
- On December 5, 2002 SCE sponsored a meeting for the Multi-Family Consortium at the Customer Technology Application Center.
- Sponsored a 600 square foot booth at the annual Building Industry Show where the CESNHP was showcased. Due to the prominent role CHEERS (California Home Energy Efficiency Rating System) plays in the statewide residential new construction energy efficiency arena, the organization was also “showcased” in SCE’s booth.

V. Program Challenges

To meet an expected growing demand for SCE’s new Multi-Family New Construction program, SCE shifted \$205,000 from unspent first quarter 2002 activities, as stated in Advice 1650-E, dated September 9, 2002. Late in the fourth, SCE shifted \$50,000 from the Multi-Family New Construction to meet a surge in the demand for the Single Family New Construction program.

VI. Customer Disputes

None expected, however, the statewide policy team will review any listings of disputes to ensure consistency of types of disputes that may be a candied for reporting.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 –

“We will require that the IOUs develop two distinct residential new construction programs, one for single-family homes and one for multi-family homes. We feel that a distinct multi-family residential new construction program can better target builders of multi-family buildings.” (mimeo, p. 16)

Response –

SCE, in collaboration with the IOUs, has developed to separate statewide residential new construction programs for both the single-family and multifamily sectors.

Decision 02-03-056 –

“To ensure that PGC funds are equitably distributed to all customers, we will require that 20% of direct implementation funds allocated to this program be

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reserved for units constructed for hard-to-reach customers, as defined in the Energy Efficiency Policy Manual.¹” (mimeo, pp.16-17)

Response –

To ensure program focus on hard to reach customer groups, SCE will focus 20% of the direct implementation budget on the multifamily sector.

Decision 02-03-056 –

“We impose a requirement that at least 15% of all claimed installations of energy efficiency measures be verified with an inspection. We will not allow incentives to be paid without proof of inspection of at least a 15% random sample of installations by a California Home Energy Efficiency Rating System (CHEERS) or Home Efficiency Rating System (HERS)-certified inspector.” [mimeo, p.17]

Response –

SCE has developed inspection procedures that will ensure that at least 15% of all claimed installations of energy efficiency measures are verified with an inspection. To date, program participants have not yet finished construction on any project.

¹ *Energy Efficiency Policy Manual, Attachment 1 to D.01-11-066, at 12. Residential Hard-to-Reach customers are those who do not have easy access to program information or generally do not participate in energy efficiency programs due to language, income, housing type, geographic, or home ownership (split incentives) barrier. These barriers are defined as 1) language – primary language spoken is other than English, and/or, 2) Income – those customers who fall into the moderate income level (income levels less than 400% of federal poverty guideline), and/or 3) housing type – multi-family and mobile Home tenants, and/or 4) geographic – residents of areas other than the San Francisco Bay Area, San Diego, area, Los Angeles Basin or Sacramento, and/or 5) homeownership – renters.*

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Program Title: **Nonresidential Standard Performance Contract (SPC) Program**

I. Program Overview

This statewide program offers cash incentives for custom-designed energy savings retrofits of existing facilities to large and medium businesses, but small and very small businesses can also participate if their measures do not qualify for the Express Efficiency program.

Any utility customer paying the gas or electric Public Goods Charge (PGC) in the investor-owned service territories would be eligible. This includes utility customers who may have opted to purchase electricity or gas from other suppliers. Third party Energy Efficiency Service Providers (EESPs) who sponsor energy efficiency retrofit projects at utility customer facilities are eligible to participate.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget

Original Budget = \$9,650,000

Fundshift Amount = \$650,000

Revised Total Program Budget = \$10,300,000

Expenditures to date (includes program commitments) = \$10,877,160

2. Total net demand reduction and energy savings:

	Net kW	Net kWh
Target	8,620	41,719,000
Actual	4,426	25,943,000
Committed*	9,031	54,745,000
Total Recorded	13,457	80,688,000

*note: does not include two customer applications currently under review.

3. Total number of customers served

Projected: 75

Actual: 225 applications received, 165 approved or under review

4. Projected and actual number of units:

Please refer to tables in the corresponding program workbook.

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5. Total rebate (\$) paid = \$1,697,103. \$7,103,566 in rebates committed to approved customer projects.

III. Program Implementation Status

1. Status of program delivery
Early in the fourth quarter, \$600,000 was transferred into the SPC program from the Express Efficiency program and \$50,000 from the Builder Operator Certification program to service a growing wait list of customer applications. These additional funds were fully committed to applications by year's end.
2. Customer Enrollment
As part of program participation, customers/EESPs are required to apply for program funds through an application process. Copies of these applications were sent to the Commission's Energy Division staff.
3. Workbook
Please refer to informational tables shown in the corresponding program workbook for details of program expenditures and program activities.
4. Training
No customer/EESP training was conducted. However, SCE's customer/program representatives did field various questions from potential customers on the 2002 SPC program.
5. Marketing

List Pieces	Quantity	Method of Delivery	# w/Each Method
Website	1 site	www.scespc.com	--

6. Hard to Reach
The SPC program was not designed for the-hard-to-reach customers, however the program is promoted to all customers, including small and medium customers, and customers located outside the L.A. Basin.

IV. Program Accomplishments

Most of the IOUs had allocated all of their SPC funds during the second quarter. In the fourth quarter, projects on the wait list were funded if any committed projects cancelled or there were incentive reductions on active SPC projects.

SCE far exceeded projected energy and demand savings goals during 2002. Two main factors contributed to this year's success. First, SCE received several applications for projects that energy savings far exceeding the \$300,000 project

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incentive limit, and thus had the incentive capped, thus reducing the incentive cost per kWh and kW significantly for those projects. The other contributing factor was that the actual mix of measures paid or committed during the program year was more heavily weighted to lighting and motors than originally forecast. Forecasting the mix of measures in SPC, or any standard offer incentive program, is difficult because of constantly changing market conditions.

V. Program Challenges

Strong customer demand for the SPC program continued in 2002. This demand exceeded the available program funds. Early in the fourth quarter, \$600,000 was transferred into the SPC program from the Express Efficiency program and \$50,000 from the Builder Operator Certification program to service a growing wait list of customer applications. These additional funds were fully committed to applications by year's end.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 states in Ordering Paragraph 9:

“The IOUs shall cooperate with third parties in carrying out nonresidential Standard Performance Contract (SPC) programs approved in this decision.”

Response-

Twenty-seven percent of the approved projects are sponsored through a third party EESP. Utility representatives have been instrumental in providing information and assistance to SCE's customers.

Decision 02-03-056 states in Ordering Paragraph 10:

“At least seventy percent (70%) of the IOUs' nonresidential SPC funds shall be reserved for non-lighting retrofits.”

Response –

The SPC program guidelines were modified to require that at least seventy percent (70%) of the IOUs SPC funds be reserved for non-lighting retrofit projects. Currently, 18% of the SCE's program incentive budget has been reserved for lighting retrofits.

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Decision 02-03-056 states in Ordering Paragraph 11:

“Large nonresidential customers carrying out first generation energy efficient lighting retrofits shall not receive financial incentives from PGC funds.”

Response –

The 2002 SPC program manual, which is available to all applicants, specifically defines the ineligible “first generation” lighting technology, and also defines the eligible “second generation” and “third generation” technologies. The application reviewers are highly knowledgeable with these definitions, and apply the eligibility rules to each lighting project application. Large nonresidential customers carrying out first generation energy efficient lighting retrofits have not received SPC incentives.

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Program Title: **Express Efficiency Program**

I. Program Overview

This statewide program offers nonresidential prescriptive rebates for specific, proven energy efficient measures including lighting, HVAC, refrigeration, agriculture, gas, LED lighting technology and motor retrofit measures. The program is limited to small and medium customers with an emphasis on the hard-to-reach sector.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget

Original Budget = \$6,000,000

Fundshift Amount = (\$600,000)

Revised Total Program Budget = \$5,400,000

Expenditures to date (including program commitments) = \$5,938,208

(Depending on customer demand, incentive funds may be over-committed. These overcommitted amounts may not be fully realized.)

2. Total net demand reduction and energy savings:

Due to the seasonality of this program, demand reduction and energy savings are expected during the third and fourth quarters.

	Net Peak kW	Net kWh
Target	13,930	64,303,000
Actual	10,858	59,877,000
Committed	11,837	59,688,000
Total Recorded	22,694	119,565,000

(Results include estimated savings from overcommitted incentive funds. These funded amounts may not be fully realized.)

3. Total number of customers served:

Actual = 3807 (includes committed customer projects).

4. Projected and actual number of units:

Please refer to the program activity tables in the corresponding program

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workbook.

5. Total rebate (\$) paid =
Paid = \$1,674,762 Committed = \$2,760,857

III. Program Implementation Status

1. Status of program delivery

The program was available to customers throughout the fourth quarter. For SCE, funds were oversubscribed on a reservation basis, in anticipation that reservations will cancel or end up being redeemed at lower amounts.

SCE received a very robust response from its aggressive promotions of the program during the fourth quarter. As a result, SCE exceeded its targeted goal. Another factor in surpassing the goal was that the mix of measures realized contained more lighting savings than originally forecasted. This was primarily due to low participation in the refrigeration measures than SCE had hoped for, despite the effort to get refrigeration vendors and contractors to more aggressively sell these measures.

2. Customer Enrollment

Two blank copies of the program's customer application forms were sent to the California Public Utilities Commission's Energy Division.

3. Workbook

Please refer to the informational tables shown in the corresponding program workbook for details on program expenditures and activities.

4. Training

There was no training conducted in the fourth quarter of 2002.

5. Marketing

List Pieces	Quantity	Method of Delivery	# w/Each Method
Business Connection (Business Service Guide)	500,000	Bill Insert	500,000
E-Mail Blast	3,725	e-mail	3,725
Mailings (Express Efficiency previous participants)	850	US Mail	850

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Other Marketing Activities:

Community Based Organization Outreach -

The following events were held by SCE customer representatives to continue to promote the Express Efficiency program to various customer groups. Approximately 13,500 customers and customer group representatives were in attendance at these events.

Non-Profits, Schools, Tax-Exempt organizations -

SCE representatives made presentations to tax-exempt customers who are eligible based on the revised aggregation exception rules to maximize the participation of this underserved group. The group events are as follows:

Contractors/ Vendors -

Participating contractors and vendors were provided program information through mailings and e-mail blasts. These included the Fall Sale announcements, the availability status of specific limited measures, etc.

6. Hard to Reach

Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

The 2002 Express Efficiency program's hard-to-reach goal is to increase participation of hard-to-reach customers to 47% as compared to the participation of these customers in the 2001 Express Efficiency program. By the end of the fourth quarter of 2002, participation by this customer group was 51%.

IV. Program Accomplishments

4th Quarter accomplishments include:

- Express Efficiency Program deadline was extended to December 31, 2002 to encourage maximum participation and avoid a hiatus between the 2002 and 2003 programs.
- Express Efficiency Fall Sale promotion was extended for selected lighting, LED, air conditioning, refrigeration, agricultural, and motor equipment.
- Customer response to several promotional events was outstanding, resulting in many applications for rebates from hard to reach customers.

V. Program Challenges

The IOUs discovered higher rebate levels were necessary to encourage participation by HTR customers, and that compact fluorescent lamps was one of the only measures that the HTR customers would adopt. However, the higher rate of customer adoption of CFLs enabled SCE to exceed its energy savings targets for Express, and shift out 10% of the program funding to the SPC program to satisfy part of the customer wait list for that program.

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VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 -

“However, because Express Efficiency and SPC share the small and medium-sized customer market, opportunities exist to leverage promotional activities. Recognizing the magnitude of this market and the current difficulties in satisfying its potential, we follow the recommendation of the 1999 State-Level Small/Medium Nonresidential MA&E Study² and instruct the IOUs to ensure that all nonresidential programs available to this customer class coordinate information, marketing, and education efforts.³” (mimeo, p. 25)

Response –

To comply, the IOUs have provided materials and side-by-side Express and SPC program comparisons at all customer presentations and in handout packets. On an individual basis, customers have also been guided to the appropriate program based upon their type of project.

² 1999 State-Level Small/Medium Nonresidential MA&E Study, Final Report, Volume 1 of 2. Xenergy, Inc. and Quantum Consulting, Inc., December 6, 2000, at 2-28 – 2-29, available at <http://www.cpuc.ca.gov/static/industry/electric/energy+efficiency/energy+efficiency+rulemaking.htm>

³ In addition, we require the IOUs to work together to market all of their statewide programs. See Section IV(C)(1) below.

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Program Title: **Nonresidential Energy Survey Program**

I. Program Overview

This statewide program offers free energy surveys/audits to nonresidential customers. The audit provides customer assistance in the form of information on the benefits of installing measures or adopting practices that can reduce the customer's utility bills. The energy audit recommendations are based on the customer's recent billing history and/or customer-specific information regarding equipment and building characteristics.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget = \$1,400,000
Expenditures to date (includes program commitments) = \$1,400,000

2. Total net demand reduction and energy savings:
Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.

3. Total number of customers served:
Projected = 4,500 audits.
Served = 8,844 audits.

4. Projected and actual number of units:
Please refer to the program activity tables shown in the corresponding program workbook.

5. Total rebate (\$) paid:
Not applicable to this information program.

III. Program Implementation Status

1. Status of program delivery
No change from the program implementation plan submitted to the California Public Utilities Commission (CPUC) on May 20, 2002.

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2. Customer Enrollment
Two blank copies of the nonresidential audit forms were sent to the CPUC's Energy Division.

3. Workbook
Please refer to informational tables shown in the program workbook for details of program expenditures and activities.

4. Training
Various IOUs sponsored "How to do an Energy Audit" training in the fourth quarter. SCE conducted two training sessions of the following class: "How to Manage Your Business's Energy Costs -- (subtitle) How to Conduct an Energy-Use Survey".

5. Marketing

List Pieces	Quantity	Method of Delivery	# w/Each Method
Events with NR Audit Program Information Available to Customers	17	Outreach Events	Attendance: 11,450
Mail-in Audit Invitation Direct Mail Campaign	1	Direct Mail	10,000
Online Audit Invitation e-Mail Blast	2	e-Mail Distribution	4,487

The following web addresses provide access to the program's online energy-use audit:

Path 1: <http://www.sce.com> - SCE's Web Site Front Page: at screen right in the frame bottom, click on the button "Free Online Energy Use Survey"

http://www.sce.com/sc3/002_save_energy/002_online_energy_surveys.htm?id=g_b-online-surveys - click on "Take the Business Survey"

http://www.sce.com/sc3/011_reb_off/011b_fyb/011b2_tool_ser/011b2a_hig_engy_user/011b2a2_engy_sur.htm?id=biz_survey_oval_button - click on "Take the Survey".

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Path 2: <http://www.sce.com> - SCE's Web Site Front Page: at screen middle, click on the area labeled "Business Solutions".

http://www.sce.com/sc3/010_bus_sols/default.htm - click on "Small and Medium-sized Businesses..."

http://www.sce.com/sc3/010_bus_sols/010a_small_business/default.htm - at right frame, bottom, click on "Tools and Services"

http://www.sce.com/sc3/011_reb_off/011b_FYB/011b2_Tool_Ser/011b2b_Small_Med_Bus/default.htm - in the list, click on "Business Energy Survey"

http://www.sce.com/sc3/011_reb_off/011b_fyb/011b2_tool_ser/011b2b_small_med_bus/011b2b2_engy_sur.htm - click on "Take the Survey".

5. Hard-to-Reach

Please note that the hard-to-reach (HTR) accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

During the fourth quarter SCE conducted 5,314 energy audits for HTR customers as defined in the October 2001 Energy Efficiency Policy Manual. Specific HTR qualifying criteria used by SCE was customer size and geographic location. This goal was determined by counting only those audits conducted for very small customers, and customers whose businesses were located in rural zip codes determined by SCE.

IV. Program Accomplishments

During the fourth quarter, the IOUs continued to offer on-line, onsite, phone, CD-ROM and mail-in audits to all nonresidential customers. The IOUs deployed various methods and tactics to reach HTR customers. The methods and strategies included bill inserts to small and medium size customers, distribution of materials on IOU incentive and rebate programs, electronic newsletters distributed among all customer classes, program information fact sheets, direct mail, promotion of on-line energy audit, phone call referrals to the audit program, and IOU representatives promoting the program.

In a common effort, the IOUs developed new audits (phone, CD-ROM and mail-in), which were available to customers during the fourth quarter. All IOUs implemented a new mail-in energy audit tool that uses the CD-ROM and on-line audit platform, thereby enabling a uniform energy efficiency experience for all IOUs customers that prefer these types of energy audits.

SCE targeted HTR customers for participation in the audit program through the use of a short customer interview to determine if the customer receiving a CD-ROM audit at an event, seminar or tradeshow will meet the HTR customer definition. Customers were asked to also provide a business card prior to

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receiving the CD-ROM. SCE energy survey representatives also use this interview technique onsite at a customer's business to determine if the customer being audited meets additional HTR definitions.

SCE's fourth quarter accomplishments included:

Achieved and exceeded overall and HTR audit goals

Continued offering of a comprehensive mix of energy survey options: onsite, online, mail-in, CD-ROM, and phone

Effective management and execution of onsite audits resulting in an exceeded goal for HTR customer audits. SCE effectively utilized contractor firms included CBOs and minority-owned businesses to achieve this result.

Design of a new and improved mail-in audit form, which helped greatly increase the customer response rate to a targeted audit invitation direct mail campaign. Response rate increased from .5% - 1.5% using the previous product, to a 6% audit completion rate.

SCE was able to substantially exceed its goal for energy surveys as a result of a number of favorable conditions not anticipated at the time the goal was originally set. First, the majority of the original goal, and the largest contributor to exceeding the goal, were onsite audits utilizing third-party contractors. The actual cost of these audits was about 25% less than originally estimated; enabling about 800 more audits to be completed than originally forecast. Second, the actual cost of developing a new mail-in/phone-in audit was significantly less than anticipated, freeing up program funding to apply to onsite audits, which resulted in approximately 1,700 additional onsite audits. SCE was successful in marketing online audits via email blasts, resulting in an additional 400 audits over forecast. A direct mail campaign for mail-in audits resulted in approximately 600 more mail in audits completed than original forecast. Lastly, SCE was able to reduce the cost of its own onsite audits over the original forecast cost to achieve an additional 800 audits.

V. Program Challenges

No significant problems encountered to date.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 -

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“The IOUs should make their on-site audits available to the same set of customers with the same eligibility requirements.” (mimeo, p. 28)

Response -

The statewide Nonresidential Energy Audit program provides on-site audits to all eligible customer classes.

Decision 02-03-056 -

“Third, unlike the other IOUs, PG&E described a program component called “How To Do an Energy Audit,” which offers both theoretical and on-site training to qualified personnel of a variety of organizations to enable them to provide comprehensive energy efficiency services.⁴ We support such training efforts to the extent that they are not offered through other IOU education and training programs, and require that the other IOUs offer similar training as part of their Nonresidential Energy Audit Programs. The IOUs should provide detailed description of this training component and an itemized budget (out of the total program budget) in their Program Implementation Plans.⁵” [mimeo, p.28]

Response –

IOUs are now offering energy-use audit training either as part of the Nonresidential Energy Audit program or, in some cases, this training is offered through the Education and Training Services program.

Decision 02-03-056 -

“The IOUs should identify certain performance targets that they intend to achieve and track in quarterly reports in their Program Implementation Plans. One performance target could be the number of audits achieved by type of audit and by customer class.” (mimeo, 28)

Response –

The IOUs have developed their specific performance targets for the Nonresidential Energy Audit program. These targets are included in the program implementation plans filed with the CPUC on May 20, 2002 and are also shown in the corresponding program workbook.

⁴ SoCalGas and SDG&E both indicated that “interested [Community Based Organizations] will be provided the opportunity to gain energy audit training to conduct their own energy audits,” but provided no other details in their proposals.

⁵ On January 28, 2002, PG&E provided additional information on its “How To Do An Energy Audit” program component in its response to Energy Division’s data request sent on January 23, 2002. PG&E should reiterate and/or supplement the information provided in its Program Implementation Plans.

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Program Title: **Energy Efficiency Training and Certification for Building Operators**

I. Program Overview

This is a statewide training and certification program for operators of medium and large commercial buildings (including governmental and institutional buildings and complexes) that seeks to establish and support a professional credential for building operators in California. Certified operators will have the training and background to identify and implement energy savings opportunities as an integral part of their operations and maintenance activities. The BOC training course consists of eight days of training classes offered once per month over a seven-month period.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget = \$500,000

Original Budget = \$500,000

Fundshift Amount = (\$50,000)

Revised Total Program Budget = \$450,000

Expenditures to date (including program commitments) = \$393,886

2. Total net demand reduction and energy savings:

Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.

3. Total number of customers served:

Projected: 75

Actual: 84 students were registered for BOC training as of December 31, 2002.

4. Projected and actual number of units:

Please refer to the program activity tables shown in the corresponding program workbook.

5. Total rebate (\$) paid:

Not applicable to this information program.

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III. Program Implementation Status

1. Status of program delivery

The program realized cost savings associated with the training courses due to aggressive price negotiations with vendor. This allowed the program to shift \$50,000 to the Standard Performance Contract program to meet increased customer demand.

2. Customer Enrollment

Not applicable to this information program.

3. Workbook

Please refer to the informational tables shown in the corresponding program workbook for details on program expenditures and activities.

4. Training

The BOC classes began in October and November 2002 in all four IOU service territories. The IOUs offered two classes in the series in 2002 with the remainder of classes scheduled to take place in 2003.

The complete class list is as follows:

- BOC 101 Building System Overview
- BOC 102 Energy Conservation Techniques
- BOC 103 HVAC Systems and Controls
- BOC 104 Efficient Lighting Fundamentals
- BOC 105 Maintenance and Related Codes
- BOC 106 Indoor Air Quality
- BOC 107 Facility Electrical Systems

5. Marketing

SCE performed mass mailing to a targeted list of 5,000 customers that were determined to be most likely interested in the BOC training. SCE developed an information flyer to distribute to its customers. SCE worked through its account management group to communicate to its customers about the excellent opportunity of the BOC training. Further, SCE contacted customers involved in its energy efficiency incentive programs to inform them about the BOC training program.

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6. Hard to Reach

This program targets building operators of medium and large commercial facilities and is not designed for the small hard-to-reach business customers. Interested hard-to-reach nonresidential customers may participate in the training program if they have a building operator for their facility.

IV. Program Accomplishments

During the fourth quarter, the BOC training classes began in all IOU service areas. The first course offered, which began in October, was Building Systems Overview. The second course offered by most of the IOUs in December was Facility Electrical Systems. A total of twelve classes were held in the four IOU service areas during the fourth quarter.

The additional five courses in the BOC series will be offered in 2003. These courses are:

- Energy Conservation Techniques
- HVAC Systems & Controls (2 days)
- Efficient Lighting Fundamentals
- Maintenance & Related Codes
- Indoor Air Quality

During the fourth quarter, SCE marketed the BOC program to its customers, conducted information sessions, started BOC training classes, and managed the BOC program. The first course offered was Building Systems Overview. The second course offered by SCE was Facility Electrical Systems. A total of seven classes were held during the fourth quarter. Student enrollment has been excellent with classes filled to maximum capacity in all of SCE's three locations.

V. Program Challenges

The program realized cost savings associated with the training courses due to aggressive price negotiations with vendor. This allowed the program to shift \$50,000 to the Standard Performance Contract program to meet increased customer demand.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 states in Ordering Paragraph 13:

"The IOUs shall jointly develop standard nonresidential building operator

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certification and training curricula, testing and other certification standards, in consultation with the Energy Division. The IOUs should develop the standard training curricula, testing and other certification standards and submit them for the Commission's or assigned Commissioner's approval no later than 30 days after issuance of this decision. The IOUs should be able to roll out their programs within 30 days after the Commission or the assigned Commissioner approves these standards. The Commission will retain ownership of the curricula and other aspects of the training programs the IOUs develop in connections with Builder Certification and Training Programs."

Response –

The proposed standards were developed in consultation with the Energy Division and filed with the Commission on April 22, 2002. In response to an Energy Division data request on the April 22, 2002 document, the IOUs revised and submitted the statewide Builder Operator Certification Program Standards to the Commission on June 26, 2002. The CPUC approved these standards on July 2, 2002.

The CPUC requested that "Energy Efficiency" be incorporated into the title of the BOC program. The IOUs submitted a proposed program title of "Energy Efficiency Training and Certification for Building Operators". The BOC program will be known as "Building Operator Certification – Energy Efficiency Training and Certification for Building Operators".

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Program Title: **Emerging Technologies**

I. Program Overview

The statewide Emerging Technologies (ET) program is an information-only program that seeks to accelerate the introduction of energy efficient technologies, applications, and analytical tools that are not widely adopted in California. The program consists of Demonstration & Information Transfer activities and the Emerging Technologies Coordinating Council (ETCC). The Demonstration & Information Transfer portion of the program focuses on near-commercial applications with significant market opportunities, and commercial energy efficient applications with low market penetration. The ETCC is a statewide information exchange and coordination effort between Pacific Gas & Electric (PG&E), Southern California Edison (SCE), Southern California Gas (SoCalGas), San Diego Gas & Electric (SDG&E), and the California Energy Commission's (CEC) Public Interest Energy Research (PIER) program.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget = \$650,000
Expenditures to date (including program commitments)= \$650,000
2. Total net demand reduction and energy savings
Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.
3. Total number of customers served
The Statewide Emerging Technologies program focuses on the promotion of emerging technologies to all customers.
4. Projected and actual number of units:
Please refer to tables shown in the corresponding program workbook.
5. Total rebate (\$) paid:
Not applicable to this information program.

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III. Program Implementation Status

1. Status of program delivery
There are no changes to the delivery mechanism described in the program implementation plan submitted to the California Public Utilities Commission (CPUC) on May 20, 2002.
2. Customer Enrollment
The program does not use customer enrollment and rebate application forms. For demonstration projects at customer sites, negotiated contract agreements are used for each project.
3. Workbook
Please refer to informational tables shown in the corresponding program workbook for details of program expenditures and activities.
4. Training
The program did not sponsor any external training during the quarter.
5. Marketing
The program did not produce any new external marketing products during the quarter. The ETCC maintains a website at <http://www.ca-etcc.com> where the statewide ET program meeting minutes and the ET database are available.
6. Hard-to-Reach
Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

The program does not have specific goals for the hard-to-reach market segments. However, the utilities do seek collaborative opportunities to host appropriate demonstration projects at hard-to-reach customer sites. Examples of such opportunities the utilities are pursuing include the collaborative SoCalGas/SCE's Professional Wet Cleaning project, which typically involves small business owners, and SCE's Habitat for Humanity project, which focuses on affordable residential housing. Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

IV. Program Accomplishments

ETCC Activities

The ETCC met once during the quarter at the Pacific Energy Center in San Francisco on December 13, 2002. During the meeting, the group agreed to conduct statewide follow-on projects to PIER's work on commercial kitchen

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exhaust and make-up air systems. The Hescong Mahone Group made an extensive presentation to the ETCC on the research results of daylighting impacts on scholastic achievement. The ETCC was also briefed about two proposed Industrial PIER projects in the area of wastewater energy efficiency. A new Emerging Technologies database was completed during the quarter and two updates posted the ETCC website (<http://www.ca-etcc.com/ETdatabase.htm>) on November 5, 2002 and December 18, 2002.

Technology Application Assessment Projects

(1) Residential Economizer “Night Breeze” - Habitat for Humanity

Initiated during the first quarter with both the Long Beach and Orange County Chapters of Habitat for Humanity (HfH), this project aims to demonstrate the “Night Breeze” technology from PIER Contract No. 500-98-024. During the fourth quarter, SCE worked with the Davis Energy Group to provide mechanical drawings to the HfH architects showing how the technology would be incorporated into the homes. The architects are reviewing the drawings for their approval.

(2) Integrated Design – Orange County Children’s Museum “Pretend City”

SCE is working with the Orange County Children’s Museum (OCCM) on the design of a new facility: “Pretend City.” During the fourth quarter, SCE facilitated a design charrete for the project, and published a report summarizing the energy efficiency options that may be considered in the project. The options under review include building envelope options, daylighting, lighting and controls, space conditioning, building materials, and indoor environmental quality issues. Currently, the customer design team is reviewing the charrete report and considering which options to select for detailed analysis.

(3) Underfloor Air Distribution – OCCM “Pretend City”

As part of the “Pretend City” project during the fourth quarter, SCE initiated a technology application assessment on Underfloor Air Distribution systems. The assessment will build on work underway in PIER Contracts Nos. 500-01-015, “Field Study of the Impacts of Underfloor Air Distribution” and 500-01-035, “Energy Performance of Underfloor Air Distribution Systems.”

(4) Integrated Hood Exhaust Backwall Make-up Air System for Hood Exhaust and (5) Perforated Supply Plenum Make-up Air System for Hood Exhaust

Both these projects are part of a statewide, coordinated effort between the utilities to build upon the ongoing work in PIER Contract No. 500-98-031, “Improving Energy Efficiency of Commercial Kitchen Exhaust Systems.” During the fourth quarter, Islands Restaurants and Panda Express Restaurants signed agreements with SCE to participate in the projects. Analysis is underway to determine which

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technology will be demonstrated in each restaurant chain. The field demonstrations will be installed in new restaurants under construction.

(6) VFD for Commercial Kitchen Hood Exhaust and Make-up Air System

This project is one of three SCE technology application assessments that is part of a statewide, coordinated effort to build upon the ongoing work in PIER Contract No. 500-98-031, "Improving Energy Efficiency of Commercial Kitchen Exhaust Systems." During the fourth quarter, Applebee's Restaurants signed an agreement with SCE to retrofit the technology into one of their existing facilities.

(7) Exhaust Hood Design & Feasibility Follow-up Report for a Sit Down Restaurant

In a previous monitoring project, SCE instrumented a Denny's Restaurant to collect detailed demand and energy usage information of a sit-down restaurant's end uses. As part of SCE's efforts to build upon the work in PIER Contract No. 500-98-031, "Improving Energy Efficiency of Commercial Kitchen Exhaust Systems," a follow-up study is underway to investigate potential exhaust hood design improvements, retrofit issues, and cost-effectiveness.

(8) T5 High Output Lighting System for High Bay Workshops

During the fourth quarter, Los Angeles County signed an agreement with SCE to retrofit a high bay workshop area with a T5 High Output (HO) lighting system. This assessment project will determine whether T5 HO lamps can improve the overall area lighting and reduce energy consumption. The basic lighting design work is nearing completion.

(9) Variable Geometry Reflector System for HID Lighting

During the fourth quarter, Los Angeles County signed an agreement with SCE to retrofit Variable Geometry Reflectors and High Intensity Discharge Lamps in one of the county's parking lots. The assessment project aim is to determine if the use of these special HID reflectors can improve area lighting conditions allowing a reduction in lamp size to achieve energy savings. The initial lighting design work for this project was completed.

(10) Integrated Efficiency Improvements for Small Grocery Stores

This project will evaluate an integrated approach to improve the energy efficiency of the principal electrical end-uses in small grocery stores. This project may result in several technology application assessments for this market segment. As part of the project, the facility's lighting would be retrofitted, possibly with T5 lamps and electronic dimming ballasts. The refrigeration system would be retrofitted with a high efficiency condenser, a multiplex compressor rack, and an advanced energy management system. During the fourth quarter, L & K Market, a small, ethnic-owned business, signed an agreement with SCE to participate in the project.

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(11) Multiplex Refrigeration in a Small Sit-Down Restaurant

This project may result in several technology application assessments for this market segment. The project will retrofit a high-efficiency, multiplex refrigeration system and a high efficiency air-cooled condenser into a small, sit-down restaurant. An advanced control system, coupled with a variable speed drive, will float the head pressure as a function of ambient conditions. In addition, energy efficient reach-in cabinets will be evaluated as part of the project. During the fourth quarter, Dattilos Restaurant, a small, woman-owned business, signed an agreement with SCE to participate in the project.

V. Program Challenges

No program-specific challenges were encountered during the quarter.

VI. Customer Disputes

The program did not encounter any customer disputes during the quarter.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056 –

“We support these programs and will fund them. However, we will require the IOUs to report on the extent to which funding this Commission awards advances the cause of emerging energy efficient technologies. For each emerging technology set forth on the CEC’s PIER website at <http://www.energy.ca.gov/pier/programs.html>, we will require that the IOUs describe in their 2002 quarterly reports how PGC funding is moving these technologies to market.” (mimeo, pp. 31-32)

Response –

This report describes program activities that are helping to move energy efficient emerging technologies to market from both PIER and other sources such as DOE, GTI, ASHRAE, etc.

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Program Title: **Savings By Design**

I. Program Overview

The Savings By Design (SBD) program influences nonresidential building owners, tenants, and design teams to exceed current Title 24 standards (or industry standards for processes) by 10 percent or more for their new construction or renovation/remodel projects. SBD provides energy design education, design assistance, and cash incentives for all project types and sizes that meet the program’s eligibility. SBD also leverages resources from industry relationships, strategic alliances, and other Public Purpose Programs to accomplish the goals of energy savings, peak demand reductions, and long-term market change.

The program has three elements: the Whole-Building Approach, the Systems Approach, and education and outreach. The core strategy centers on an integrated design approach to optimize energy efficiency, known as the Whole-Building Approach. To include participants who would not normally consider a fully integrated design approach, the Systems Approach provides a simplified, performance-based method, which moves owners and design teams far beyond prescriptive approaches. Finally, program education and outreach strategies, focused on the successful Energy Design Resources model, address market barriers by providing owners and designers with the information, education, and tools to help them make the best possible energy efficiency choices. All three elements support the California Energy Commission’s goals for market transition to the 2005 Title 24 code revision cycle.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget = \$7,674,000
Expenditures to date (includes program commitments) = \$7,048,717
2. Total net demand reduction and energy savings

	Net kW	Net kWh	Therms
Target			
Systems	4,910	23,642,000	0
Whole-Building	2,870	9,614,000	0
Total	7,780	33,265,000	0

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Actual			
Systems	682	5,101,000	0
Whole-Building	236	917,000	0
Subtotal	918	6,018,000	0
Committed			
Systems	3,472	23,672,000	0
Whole-Building	5,295	23,172,000	0
Subtotal	8,767	46,844,000	0
Total Recorded	9,685	52,862,000	0

3. Total number of customers served:
 Projected (Annual): Not specified in the Implementation Plan
 Actual: 241 projects participating in program. Over 570 qualified leads investigated, with customers contacted and program information provided.
4. Projected and actual number of units:
 Please refer to the program activity tables shown in the corresponding program workbook.
5. Total incentives (\$) paid = \$428,887
 Total incentives (\$) committed = \$4,282,768

III. Program Implementation Status

1. Status of program delivery
 No additional changes to the program in the fourth quarter.
2. Customer Enrollment
 Copies of appropriate applications were sent to the Commission's Energy Division.
3. Workbook
 Please refer to workbook for details of program expenditures and program activities.
4. Training
 No training was offered this quarter.

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5. Marketing

List Pieces <i>Statewide Efforts</i>	Quantity <i>Total Ordered</i>	Method of Delivery	# w/Each Method <i>Delivered YTD</i>
SBD Brochure Brochure Inserts: - Whole-Building Insert - Design Team Insert - Process Insert	2000	<ul style="list-style-type: none"> • Hand delivery • SCE's energy centers (CTAC and AgTAC) 	Delivered as needed
SBD Energy Efficiency Integration Award Call for Entries	10,000	Statewide Mailing	7,900
One-Page Flyers	Down loadable from SCE's Website	As needed	--
Energy Design Assistance – Newsletter	2,500	Email	2,500
Table Top Promotion	500 Attendees	AIA Desert Practices Conference	--

- Savings By Design maintains a statewide web site at www.savingsbydesign.com that provides comprehensive program information, utility contacts, and a downloadable Participant Handbook outlining program policies and procedures as well as application guidelines.
- Energy Design Resources, the educational and academic arm of Savings By Design, maintains a comprehensive library of information and resources at www.energydesignresources.com, including electronic newsletters for the design community, freeware for design and financial analysis, and a series of AIA accredited online courses.
- www.sce.com features pages describing Savings By Design that direct customers to program contacts and provide external links to the Statewide web site for more information.

6. Hard to Reach

Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

Savings By Design targeted geographically hard-to-reach customers. The program identified the goal as a 25% increase over the percentage of participating projects from geographically hard-to-reach customers as identified in 2001. In 2002, the program tracked 241 participating projects.

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This set the goal of 15 HTR projects (6.25% x 241). SBD ended the year with 19 participating HTR projects. This year's efforts exceeded the goal by 26%.

IV. Program Accomplishments

- AIA Desert Practices Conference – The statewide Savings By Design utilities have continued to work with the American Institute of Architects in promoting energy efficient and sustainability designs in their projects.
- Association of Energy Services Professionals International – In December 2002, AESP recognized the successful collaborative efforts of the Statewide Savings By Design program in its effective and with innovative influence in promoting energy efficient practices.
- Energy Design Resources, Design Tool CD - Distributed over 50 CDs to architects and engineers in California and throughout the U.S.A.
- Savings By Design's Website attracted over 4,860 fourth quarter visits for an accumulated total of 15,841 visits in 2002.
- Energy Design Resource's Website attracted 12,234 visits in the fourth quarter for a year-to-date total of 41,498 visits.

V. Program Challenges

Statewide challenges include the fact that new nonresidential building construction projects require multi-year designing and planning. Customers require assurances that the incentives provided by the program will be available to them if they accept recommendations and incorporate them into their documents. The program staff and customer may collaborate for a substantial amount of time before the project is at a phase when the proper documentation is available for the program to review and commit funding for the incentive.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056, Ordering Paragraph 14, states:

“The IOUs shall reserve 50% of their Savings by Design direct implementation funds for projects that use a whole-building approach.”

SCE has budgeted 50% of the direct implementation funds for projects that are Whole-Building Approach. As of September 30, 2002, 58% of committed funding was reserved under the Whole-Building Approach.

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Program Title: **Energy Efficiency Education And Training Program**

I. Program Overview

The statewide Energy Efficiency Education and Training program is offered in the service territories of Pacific Gas & Electric (PG&E), Southern California Edison (SCE), San Diego Gas & Electric (SDG&E), and Southern California Gas (SoCalGas). Overall, the program promotes energy efficiency to a variety of customer segments through energy centers (physical and virtual) and other informational programs, such as the Product Labeling Program. In this activity, SCE partners with retailers to help them promote the energy efficient versions of the products they sell.

The educational and information efforts of the energy centers, account management teams, and program managers cover a broad spectrum of market actors including consumers, midstream actors such as design, engineering and contracting communities, and upstream market actors. The motivations to make use of energy center services encompass reducing operational costs, increasing productivity and profitability, and designing more efficient new buildings.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget = \$3,813,000
Expenditures to date (including program commitments) = \$3,520,200
2. Total net demand reduction and energy savings:
Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.
3. Total number of customers served:
Projected: 4,100
Actual: 3,934
4. Projected and actual number of units:
Please refer to the program activity tables shown in the corresponding program workbook.
5. Total rebate (\$) paid:
Not applicable to this information program.

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III. Program Implementation Status

1. Status of program delivery

No change from the program implementation plan submitted to the California Public Utilities Commission on May 20, 2002.

2. Customer Enrollment

Two blank copies of each customer registration form used by customers attending CTAC and AGTAC seminars and workshops were sent to the California Public Utilities Commission's Energy Division.

3. Workbook

Please refer to the informational tables shown in the corresponding program workbook for details on program expenditures and activities.

4. Training

SCE conducted a number of customer training workshops through its energy centers, which are fully described in the corresponding program activities workbook. SCE also conducted training of manufacturers and retailers at the Energy Star[®] national HVAC conference during the month of September.

5. Marketing

Please refer to the informational tables shown in the corresponding program workbook for details on energy center program marketing.

6. Hard to Reach

Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

During the 2002 program year, each of the utilities also committed to develop methods of tracking the participation of the hard-to-reach (HTR) market group in its education programs, based on the definition provided in the Energy Efficiency Policy Manual. SCE proposed the following HTR target:

- SCE's Energy Efficiency Education and Training program will target 45 energy efficiency events to HTR customers. Through December 2002, SCE has provided 60 events for the HTR market.

IV. Program Accomplishments

Energy Centers

- The utilities collaborated in a number of training seminars during 2002.

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- Materials used to promote these seminars were branded as co-sponsored by the participating utilities.

SoCalGas/PG&E:

- Understanding Boiler Basics and Combustions

PG&E/SCE:

- Commercial Refrigeration
- Industrial Maintenance

SCE/SoCalGas:

- Lighting and Daylighting for Architects
- Design Strategies for High Performance Glass
- Office and Schools Lighting
- Selling Energy Efficiency
- Advanced Refrigeration / Food Service
- Energy Management in Food Service
- Energy Audits for Foodservice
- Energy Efficient Lighting for Food Service
- Hi-Bay Lighting
- Sustainable Libraries

SoCalGas/SDG&E:

- Understanding Boiler Basics and Combustions
- Energy Management in Food Service

SCE/SDG&E:

- Compressed Air
- Motors and Drives

- Understanding Boiler Basics and Combustion was offered in Spanish in SDG&E service territory.
- SoCalGas and SDG&E also co-sponsored a booth at the IHACI HVAC trade show in Pasadena where energy efficiency literature was distributed.

In addition, SCE's program continues to offer seminars/workshops/field services focused on promoting energy efficiency to customers. In support of this activity, SCE accomplished the following:

- Through December 2002, SCE has provided 169 educational events.
- In addition to events, SCE provided 1,484 equipment demonstrations and 1,009 technical consultations to SCE customers.

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- Nine energy efficiency displays were created or upgraded in 2002 in support of technologies promoted through other energy efficiency programs; examples of these are:
AGTAC
- Installed a Low Pressure Pumping Exhibit - Phase I - includes various pumps and motors for energy efficiency comparison
- Installed a Wall Insulation Display - Interactive temperature comparison between wall without insulation and wall with R-19 insulation
- Created a Supervisory Control And Data Acquisition (SCADA) Center - Initiated and completed construction of SCADA display in AGTAC's Exhibit Hall for presenting and managing information efficiently using electronic devices. Currently, this unit is hooked to one outdoor display but future plans include adding other on-site displays and exhibits to it throughout the facility for centralized presentation capabilities.
- Added a 5 hp Motor Cut-a-way Display for use and showcase during various motor classes
- In December, a 12-day holiday lighting event, Festival of Lights, was held at AGTAC. Tulare County Office of Education, local 4-H club members and other community organizations participated in creating 38 lighted displays. Drive-thru public viewing was provided for 3 to 4 hours nightly. 3600 energy information tips cards were distributed, and various energy efficiency related graphics were viewed by 11,306 attendees.
CTAC
- Installed new compressed air displays including: 1) a small screw compressor that can be disassembled to aid instructors that teach compressed air classes; 2) an operating 50 horsepower screw compressor to show performance and operating characteristics of screw compressors.
- Upgraded the skylights in two areas of CTAC with daylighting controls and metering to demonstrate the performance of daylighting systems.
- Modified the single-phase electric motors display to use it as a hands-on demonstration in the electric motors classes.
- Modified ductwork, added a new variable speed drive and controls (heat and smoke sensing) to the exhaust hood ventilation system in the Food Service Technology Center. The ventilation system is quieter, performs better and serves as a demonstration on how controls can reduce the use of energy in these systems.
- Installed new pendant mounted indirect and direct/indirect luminaries to showcase linear fluorescent T-5 technologies.

Product Labeling

- Due to the season nature of this program, no activities were reported for this quarter.

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Informational Services

- Information Services delivered vital energy efficiency information to all commercial and industrial customers. SCE's assigned representatives contacted their customers by way of face- to- face visits, and customer contacts through the use of email, phone, fax, letter, direct mail, or newsletter.

V. Program Challenges

No significant problems encountered to date.

VI. Customer Disputes

None.

VII. Compliance Items

There are no program specific compliance items issued by the California Public Utilities Commission regarding this program.

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Program Title: **Codes and Standards Advocacy**

I. Program Overview

This statewide Codes and Standards (C&S) Advocacy program promotes upgrades and enhancements in energy efficiency standards and codes. Codes and Standards Enhancement (CASE) studies are performed for promising design practices and technologies. The study results are presented to standards and code-setting bodies to encourage adoption of energy efficiency measures.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget = \$887,500
Expenditures to date (including program commitments)= \$887,500
2. Total net demand reduction and energy savings:
Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.
3. Total number of customers served:
The Statewide Codes and Standards program focuses on upgrades and enhancements in the energy efficiency standards and codes thereby benefiting all Californians.
4. Projected and actual number of units:
Please refer to Table 4.2 shown in the corresponding program workbook.
5. Total rebate (\$) paid:
Not applicable to this information program.

III. Program Implementations Status

1. Status of program delivery
No change from the program implementation plan submitted to the California Public Utilities Commission (CPUC) on May 20, 2002.

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2. Customer Enrollment

Due to the nature of the program there are no customer enrollment forms.

3. Workbook

Please refer to informational tables shown in the program workbook for details of program expenditures and activities.

4. Training

Customer training is typically not conducted due to the nature of the program. However, there are numerous workshops associated with codes and standards advocacy. These workshops are listed under the Program Accomplishments section shown below.

5. Marketing

The program did not conduct any marketing activities in the second quarter of 2002.

6. Hard-to-Reach

Codes and Standards activities support hard-to-reach market segments by advocating cost effective code enhancements that promote energy efficiency for all building types and appliances included in the California standards.

IV. Program Accomplishments

During the fourth quarter, SCE program staff initiated six additional codes & standards enhancement (CASE) studies, bringing the total number of CASE initiatives, new and in progress, to eleven.

V. Program Challenges

No significant problems encountered to date.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

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Decision 02-03-056 -

“We [CPUC] are especially interested in seeing improvement in the area of energy efficiency standards for residential retrofits, where we believe most of the new savings will come.” (mimeo, p. 43)

Response -

In response to the CPUC’s special interest in seeing improvement in the area of energy efficiency standards for residential retrofits, the C&S program supported building standards for residential alterations, and are discussing support for the AB-549 report with the California Energy Commission.

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Program Title: **Upstream Residential Lighting**

I. Program Overview

This statewide program solicited proposals from interested statewide and local retailers who can offer point-of-sale (POS) discounts for ENERGY STAR[®] lighting products and assist with meeting hard-to-reach (HTR) goals. Customers will receive a \$2 per lamp discount by purchasing ENERGY STAR[®] compact fluorescent lamps (CFLs) at participating retailers. The retailers will be reimbursed for the discounts provided to customers during the promotion period by providing the sales information for the promotion period to the IOUs. The program has also solicited proposals from manufacturers to provide ENERGY STAR[®] lighting products to retailers. The manufacturers will provide buy-downs to retailers in the same amount as those listed above.

The program began to roll out in time for the September lighting season. The IOUs allowed the manufacturers to compete among retailers, allowing some retailers to offer products at less than \$1 per CFL. Many locations are selling CFLs for \$2 or less.

II. Program Summary

Please note that the results in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

1. Total program budget = \$1,999,500

Expenditures to date (includes program commitments) = \$1,564,322

2. Total net demand reduction and energy savings:

Due to the seasonality of this program, demand reduction and energy savings are expected during the third and fourth quarters.

	Net kW*	Net kWh*
Target	3,264	25,626,000
Actual	2,179	14,927,000
Committed	2,298	10,756,000
Total Recorded	4,477	25,682,000

*Note: The target net energy savings and demand reductions are consistent with the CPUC's Draft Decision, dated January 10, 2003.

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3. Total number of customers served:
 Projected: The program implementation plans did not identify a projected number of customers served.
 Actual: Over 625,000 customers served.

4. Projected and actual number of units:
 Please refer to the program activity tables in the corresponding program workbook.

5. Total rebate paid = \$840,890, total committed = \$504,414.

III. Program Implementation Status

1. Status of program delivery
 SCE shifted program administrative funds to the program's direct implementation budget in order to meet demand for a different measure mix than originally forecasted. The shift did not change the overall program budget.

2. Customer Enrollment
 Two blank copies of the program's ceiling fan application forms were sent to the Commission's Energy Division.

3. Workbook
 Please refer to the informational tables shown in the corresponding program workbook for details on program expenditures and activities.

4. Training
 The program did not sponsor any training during the quarter.

5. Marketing
 During the fourth quarter, customers saw the ENERGY STAR[®] Change a Light campaign, delivered through the State of California's Flex Your Power television ads.

6. Hard to Reach
 Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

The Residential Upstream Lighting program has goals to spend 15% of the direct implementation budget on geographic locations outside urban centers. Additionally, the program is challenged with ensuring that at least 10% of the

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program's direct implementation budget is spent through grocery and drug stores. Twenty-two percent of the incentive budget was spent in HTR geographic locations; 36% of the incentive budget was spent through grocery and drugstores. The HTR and food and drug goals were met and exceeded. Many promotions occurred within the geographic HTR and the food and drug sectors. Discounted products were purchased at Canned Food Outlets, Costco, Food Maxx Stores, Long's Drugs, Lowe's, Orchard Supply Hardware, Sam's Club, Save Mart Stores, Smart & Final and Yardbird's as well as many independent Ace Hardware and Tru-Value Hardware locations. In all, over 600 locations sold CFLs at discounted prices because of this program.

IV. Program Accomplishments

Statewide Accomplishments

- Coordinated with the national ENERGY STAR[®] Change-a-Light Campaign.
- The participation of the food and drug sector was particularly successful due primarily to concerted promotions to ethnic grocers in Asian and Hispanic communities. These efforts virtually opened up the Chinese market for CFLs, and the rural Hispanic market. In addition, the entire food and drug sector made product much more widely available.
- The IOUs continued support of national activity to promote quality and an increase in the selection of ENERGY STAR[®] fixtures by sponsorship of "PEARL" testing (Program for the Evaluation and Analysis of Residential Lighting) and co-sponsorship of the "National Lighting Fixture Design Competition" organized by the American Lighting Association, Consortium for Energy Efficiency and the U.S. Department of Energy.

V. Program Challenges

- One statewide major big box retailer decided not to participate due to the limited allocations. Large retailers with multiple locations require large allocations in order to be able to promote across a large geographic area. They will only advertise a promotion if available in all of the stores for which they create ads. With the available budgets this was a significant issue to manage while being equitable.
- Many retailer corporate personnel changes over the past year caused communications and soliciting retailer participation to be more challenging in 2002.
- The west coast shipping strike delayed deliveries of the product for the manufacturers' buy-down program.
- The ENERGY STAR[®] ceiling fan category was unsuccessful because the product was initially unavailable. Then retailers were hesitant to promote the ceiling fans because the cooling season had passed.
- Manufacturers and retailers focused on providing CFLs that replaced the incandescent wattages purchased most commonly by the public, which have

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been the 40 through 100 watt incandescent lamps. Manufacturers felt 30 watts typically provided light output for lamps higher than 100 watts and therefore did not put much focus on that category. As the penetration of 40 to 100 watt equivalent CFL lamps has increased, the manufacturers are now turning their attention to that category.

- SCE shifted program administrative funds to the program's direct implementation budget in order to meet demand for a different measure mix than originally forecasted.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056, Ordering Paragraph No. 7 –

“At least 15% of the statewide Upstream Residential Lighting Program rebate dollars shall be reserved for rural areas, in order to enhance service to hard-to-reach customers.”

Response –

SCE has formalized the 15% target under SCE's hard-to-reach activities contained within its program incentive budget filed with the Commission on May 20, 2002. The progress towards this goal is identified in the hard-to-reach section above.

Decision 02-03-056 -

“In addition, we will require that 10% of the rebate funds also be reserved for redemption through purchases from new delivery channels of grocery and drug stores.” (mimeo, p.45)

Response -

SCE has formalized the 10% target under SCE's hard-to-reach activities contained within its program incentive budget filed with the Commission on May 20, 2002. The progress towards this goal is identified in the hard-to-reach section above.

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Program Title: **Marketing and Outreach**

I. Program Overview

Flex Your Power – Energy Efficiency is a statewide consumer marketing campaign focused exclusively on energy efficiency. The goal is to build awareness of Energy Star products. The campaign uses a series of advertisements to promote Energy Star products as part of the statewide *Flex Your Power - Energy Conservation Campaign*. The advertising is developed to compliment the ongoing conservation messages of the *Flex Your Power* campaign.

The target market is residential consumers throughout California including African American, Asian and general markets. With the exception of newspaper ads, the Hispanic market was not included due to a separately funded Univision program. Overall, the marketing plan includes three messages that focus on specific Energy Star products in the months of May, August and October of 2002. Each message runs for three weeks via television and radio, and to a lesser degree, in newspaper.

Univision Television Energy Efficiency Marketing (U-TEEM) is a consumer marketing and outreach program. Its goal has been to build awareness of and increase participation in energy efficiency rebate programs and other energy reduction initiatives. The target market has been hard-to-reach Hispanic investor-owned utility (IOU) customers. The energy efficiency messages were distributed through a combined schedule of 10- and 60-second Spanish-language commercials.

II. Program Summary

1. Budget and Expenditures

Flex Your Power – Energy Efficiency

Budget - \$8,057,000

Due to reporting practices within the advertising industry, final confirmation of quarterly media expenses will not be available until first quarter 2003.

Therefore, a final reconciliation of quarterly expenses will be provided after the media outlets supply data required to develop a final quarterly post-buy.

The previously referenced attached media flowchart and budget summary outlines estimated quarter expenditures.

Univision Television Energy Efficiency Marketing

Budget - \$2,000,000

Expenditure to date = \$2,000,000

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2. Total net demand reduction and energy savings:
Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.

3. Total number of customers served:

Flex Your Power – Energy Efficiency

As of December 2002 the *Flex Your Power – Energy Efficiency Campaign* has reached 100% of the target audience through the Energy Star Lighting campaign.

Univision Television Energy Efficiency Marketing

Projected: At the outset of the program, it was estimated that the energy efficiency messages aired on Univision would reach an estimated 93,591,000 viewers total between the ages of 18 and 49.

Actual: At the end of the scheduled marketing campaign, September 2002, approximately 99,660,600 viewers between 18 and 49 were reached. This is 107% of the original goal.

4. Projected and actual number of units:
Not applicable to the statewide marketing and outreach activities.
5. Total rebate (\$) paid = \$0.

III. Program Implementation Status

1. Status of program delivery

Administration of the Statewide Marketing and Outreach campaign has changed from the Department of Consumer Affairs to Southern California Edison for 2002.

Flex Your Power – Energy Efficiency

As originally established in the Implementation Plan, Grey Worldwide developed all *Flex Your Power Energy Efficiency Campaign* messages to be consistent with the *Flex Your Power Conservation Campaign* in the following formats:

- 30-Second Television
- 60-Second Radio
- Full-Page Black/White Newspaper

All scripts, concepts and layouts were provided to the CPUC and IOUs, for review, editing and approval. Once production was completed, rough cuts,

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finished radio spots and final newspaper ads were provided to the IOUs for review.

Univision Television Energy Efficiency Marketing

As originally established in our Implementation Plan, Staples/Hutchinson wrote English-language scripts for the 10- and 60-second messages, which were provided to the CPUC and the IOUs for review, editing and approval. In coordination with the IOUs, Staples/Hutchinson provided Spanish-language translations of the approved scripts. Once the commercial production was completed, the rough cut was provided to the IOUs for review. Commercials with localized tags were provided to all eleven Univision stations at least two weeks prior to air date.

2. Customer Enrollment
Not applicable.
3. Workbook
Not applicable.
4. Training
The program did not sponsor any training during the quarter.
5. Marketing

Flex Your Power – Energy Efficiency

The *Flex Your Power – Energy Efficiency Campaign* was augmented with a statewide point-of-purchase retailer program funded by the State and Consumer Services Agency (SCSA). The program provided point-of-purchase (POP) materials to participating retailers. The materials were designed to educate and persuade consumers to purchase Energy Star appliances. Materials included salesperson training guides, consumer brochures, aisle violators, and product decals. In addition to POP materials, participating retailers were featured in an incremental full-page, black/white newspaper ad. This augment created a completely integrated communications program:

- TV & Radio messages established broad awareness of Energy Star washing machines
- Newspapers messages drove consumers to participating retailers
- POP messages further educated consumers about featured products details and rebates, ultimately prompting a purchase.

Univision Television Energy Efficiency Marketing

The commercials, researched and written by Staples/Hutchinson and Associates, Inc., aired on eleven Univision television stations throughout

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California. Each was tagged with the appropriate phone number of the investor-owned utility serving that particular area. The television schedule began May 20, 2002, and ended September 15, 2002.

In addition, Staples/Hutchinson and Associates, Inc. augmented customer reached through news releases sent to Spanish language newspapers throughout the state, with a combined readership of 2,568,621.

Univision stations also have installed exterior signage and lobby displays/literature at their individual facilities. Each station incorporated information about energy efficiency rebates and other energy reduction programs in the booth that they staff at various community events.

The television campaign was augmented with a Univision booth at special cultural and community events. This initiative was so successful that an additional 20,000 pieces of literature were printed and distributed to Hispanic audiences throughout the state.

6. Hard to Reach

Flex Your Power – Energy Efficiency

In addition to the general market, the *Flex Your Power – Energy Efficiency Campaign* targeted the hard-to-reach Asian and African American markets in California. Although the CPUC selected Univision for media outreach to the Spanish-speaking population, that plan did not include any print advertising. Therefore, this plan directed messages to the Spanish-speaking market via community newspapers.

African American targets were over represented in the planned general market television and radio buys, therefore the media plan did not call for purchasing separate broadcast media. However, full-page newspaper ads were placed in African American market community newspapers. In the Asian market, the campaign reached consumers who speak Chinese, Korean and Vietnamese via television, radio and newspaper.

Univision Television Energy Efficiency Marketing

UTEEM is completely targeted to the hard-to-reach Hispanic market, whose language barrier prevents them from fully taking advantage of the IOU's rebate and energy reduction programs. Please refer to section II.3. of this report for a summary of the numbers of Spanish-speaking Hispanics reached to date.

IV. Program Accomplishments

See Marketing section.

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V. Program Challenges

Flex Your Power – Energy Efficiency

Day-to-day challenges focused on securing communication approvals from a variety of stakeholders including, the IOUs, DCA, SCSA and Energy Star. However, an efficient system was implemented that has led to a smooth approval process.

Univision Television Energy Efficiency Marketing

The experience of planning, producing and implementing the U-TEEM program has been a pleasure. At the outset, there were some wrinkles to iron out regarding proofing responsibility and lines of communication among the IOUs. However, once these were solved the proofing and approval of the commercial and schedule ran smoothly. The schedule was affected by seasonal variances in viewership among the eleven stations, but the final outcome was a total audience reached exceeds our original goal.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-03-056, Ordering Paragraph No. 4 –

“Edison shall execute third-party contracts with DCA and Univision, respectively, within 30 days of the effective date of this decision. DCA and Univision shall not receive program payments if they are not in compliance with their IOU contracts. If the parties cannot agree on contract language, they shall immediately contact the assigned Administrative Law Judge to seek a resolution.”

Response –

SCE enter into contract agreements with both the Department of Consumer Affairs and Univision within the required time set forth by the Commission. During the second quarter of 2002, the Commission directed SCE to replace the Department of Consumer Affairs’ as contract manager of the general statewide media campaign.

Decision 02-03-056, Ordering Paragraph No. 15 -

“Edison shall contract with the Department of Consumer Affairs (DCA) and PG&E shall contract with Univision Television Group (Univision) to carry out the statewide marketing and outreach programs we approve in this decision. The contracts shall ensure that third parties do not use PGC funding for conservation and/or load-shifting messages that rely only on temporary or impermanent

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behavioral change. Edison and PG&E shall not make payments to the DCA and/or Univision unless this requirement is met. DCA and Univision will have ultimate responsibility for advertising content as long as it is consistent with this decision.”

Response -

In Decision 02-07-040, the Commission directed SCE to act as a replacement for the Department of Consumer Affairs. In response, SCE enter into a contract with DCA’s prime vendor, Grey Worldwide Advertising, to deliver the Flex Your Power – Energy Efficiency campaign. SCE also enter into an agreement with Univision to carry out their portion of the statewide media campaign.

Decision 02-03-056, Ordering Paragraph No. 16 -

“DCA and Univision shall consult with IOU energy efficiency program managers to coordinate the timing of statewide and IOU messages and programs. The DCA shall use a portion of its funding to update its website to include information on all Commission-funded statewide and local energy efficiency programs. DCA shall be responsible to secure this information at least twice during the program year and to update its web information as it receives updates from program providers.”

Response -

Each of the investor-owned utilities and the prime vendors (Grey Worldwide Advertising and Univision) are working in a collaborative fashion to coordinate the timing and message of the statewide media campaigns and the statewide energy efficiency programs.

Decision 02-03-056, Ordering Paragraph No. 17 -

“The IOUs shall work together to market their statewide programs. To the extent the IOUs offer the same programs, they shall advertise them together. The IOUs shall keep the Energy Division informed in their Program Implementation Plans and quarterly reports of what they are doing or will do to further this collaborative goal. They shall focus all PGC-funded marketing for programs in this decision on energy efficiency messages.”

Response -

Throughout this quarterly report, SCE has identified areas where the statewide programs have coordinated with the statewide marketing and outreach activities.

Decision 02-07-040, Ordering Paragraph No. 3 -

“Edison shall take over the PGC-funded portion of the Flex Your Power campaign consistent with D.02-03-056 and may make such uses of the Flex Your Power marks as are authorized by DCA.”

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Response -

SCE enter into a contract agreement with the DCA's prime vendor, Grey Worldwide Advertising, to continue the Flex Your Power – Energy Efficiency campaign begun by DCA. The current statewide marketing and outreach activities follow DCA's planned implementation for 2002.

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Local Programs

- 1. Residential In-Home Energy Survey**
- 2. Small Nonresidential Hard To Reach**
- 3. Pump Test and Hydraulic Services**
- 4. Demonstration and Information Transfer**
- 5. Local Government Initiative**
- 6. Local Codes and Standards**

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Program Title: **Residential In-Home Energy Survey**

I. Program Overview

The Residential In-Home Energy Survey program provides customers, particularly hard-to-reach customers who do not respond to Internet and mail-in survey options, with a more personalized, face-to-face energy survey option. Maintaining this option is particularly important in 2002, with customers facing higher rates than they did a year ago, and after they have been alerted by the 2001 mass media campaigns and press coverage about the need for and general possibilities for achieving significant energy savings.

II. Program Summary

1. Total program budget = \$700,000

Expenditures to date (including program commitments) = \$687,260

2. Total net demand reduction and energy savings

Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.

3. Total number of customers served:

	In-Home Survey Targets
Target	4,500
Actual	5,050

4. Projected and actual number of units:

Please refer to tables shown in corresponding program workbook.

5. Total rebate (\$) paid.

Not applicable to this information program.

III. Program Implementation Status

1. Status of program delivery

SCE provided compact florescent light bulbs as marketing promotion in the fourth quarter to improve the conversion rate of survey requests to completed surveys. This allowed the customer to begin immediately to save energy and money.

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2. Customer Enrollment

Sample copies of these audits, in all languages, were sent to the CPUC's Energy Division.

3. Workbook

Please refer to informational tables shown in the program workbook for details of program expenditures and activities.

4. Training

Customer training is typically not conducted due to the nature of the program. The energy audits are created in simplified form to help the customer's complete an energy audit.

5. Marketing

Fourth quarter marketing activities:

1. Promotion and sign-ups at county and regional fairs and other major events in hard-to-reach (HTR) areas utilizing the Mobile Education Unit.
2. SCE's Customer Call Center focused on referrals for customers with high bill inquiries.

6. Hard-to-Reach

Please note that the hard-to-reach accomplishments in this section are preliminary and will be updated in the 2003 Energy Efficiency Annual Report.

Based on market analysis, SCE determined that certain hard-to-reach customer segments had a greater propensity than other customer segments to respond positively to an in-home survey offering than to offers of Internet or mail-in surveys.

SCE has continued to target Latino customers and has expanded the outreach program to include customers in rural locations utilizing direct mail, print media, and Spanish radio advertising.

The In-Home Energy Survey has the advantage of being able to respond to the needs of certain hard-to-reach customer groups by providing an alternative delivery channel to the statewide Home Efficiency Survey program through individual interaction. SCE's HTR goal is at least 50 percent participation by HTR customers as defined by the CPUC.

IV. Program Accomplishments

- Completed 5,050 surveys, or 112 percent of completed survey goal through the fourth quarter.

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- HTR participation was 73 percent of completed surveys against a goal of 50 percent.
- Piloted Spanish radio ads specifically designed to promote in-home energy surveys to Spanish speaking customers.
- Piloted the use of the Penny Saver magazine to reach more than one million HTR customers.
- Developed pilot program utilizing the Mobile Education Unit to take the audit program into HTR communities and enroll customers.
- Implemented the use of a small incentive to improve the conversion rate of requested surveys to completed surveys.

V. Program Challenges

The techniques used for outreach and promotion of the In-Home Energy Survey Program in past years is proving to be less effective this year. In the past, direct mail and phone center referrals have been sufficient to satisfy program goals. With the introduction of HTR goals this year, which tends to limit availability of the program, and less than anticipated phone center activity, the number of completed surveys was well below the goal through the third quarter. Response to direct mail solicitation of HTR customers ran about one percent this year, as opposed to a more typical response rate of about three percent for high usage customers in past years.

In an effort to make the outreach process more effective, SCE expanded the existing direct mail strategy to a total of 125,000 direct mail pieces and supplemented traditional outreach channels with new outreach channels as described in the Program Accomplishments section.

VI. Customer Disputes

None.

VII. Compliance Items

None.

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Program Title: **Small Nonresidential Hard To Reach**

I. Program Overview

The Small Nonresidential Hard To Reach Program, also known as the Small Business Lighting Retrofit Program, provides no cost energy efficient equipment and information leading to low cost energy efficient upgrades to the very small business (under 20kW) customer with special focus on the economically disadvantaged business and those customers defined as hard to reach by the California Public Utilities Commission (CPUC). For this program, hard to reach customers are defined as customers who are located in rural zip codes and have a monthly demand of less than 20kW. The program is open to small businesses located within Southern California Edison's (SCE) service territory.

II. Program Summary

1. Total program budget = \$1,262,200
Expenditures to date (including program commitments) = \$1,166,342

2. Total net demand reduction and energy savings

Target	Net KW	Net kWh
Target	547	2,569,570
Actual	5240	2,267,000
Committed	134	744,000
Total	5,374	3,011,000

3. Total number of customers served:

Projected: 1,000

Actual: 842

4. Projected and actual number of units:

Projected = 22,048

Actual = 55,162

Please refer to the "Committed" units shown in the corresponding program workbook.

5. Total rebate (\$) paid.

Not applicable to this program.

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III. Program Implementation Status

1. Status of program delivery
No change from the approved program implementation plan.
2. Customer Enrollment
Customers may enroll at the time of the contractor visit or are provided literature along with a call back telephone number.
3. Workbook
Please refer to informational tables shown in the corresponding program workbook for details of program expenditures and program activities.
4. Training
Contractor training will encompass the lighting needs of the small business customer and will be offered in 2003 program. The training will also provide the installation contractor an understanding of the source of the funding (PGC) so that the contractor can provide a better explanation to the customer.
5. Marketing
 - Customers were solicited by telemarketing, and direct contact. Word- of-mouth advertising was also evident. Where appropriate, customer communication was conducted ‘in language.’
 - There were no detailed application forms to fill out. Customer sign-up was as easy as setting an appointment.
6. Hard-to-Reach
This program is designed to help the hard to reach small business customers attain long-term energy savings by:
 - a. Demonstrating the benefits of energy efficient equipment using the customer’s existing lighting infrastructure by the use of an energy survey and then sharing the potential for energy savings in an easy to understand format (worksheet). The customer, if available, was invited to participate in the energy survey. The customer would then authorize the ‘retrofit’ work by signing an agreement, which outlined the work that the contractor would complete.
 - b. Retrofitting/Replacing older less efficient equipment with new high efficiency lighting equipment.

IV. Program Accomplishments

- In- language literature has been developed and is in use. Languages are Spanish, Chinese and Korean.
- Program promoted at two customer events.
- 842 customer facility energy use audits have been performed.

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V. Program Challenges

- Hours of Operation - Small Business owners typically maintain strict operating hours, which will at times require follow-up visits.
- Trust - A few small business owners initially demonstrated a mistrust of the program's 'no-charge' policy. IOU program manager has intervened to convince the customer of the validity of the program.

VI. Customer Disputes

None.

VII. Compliance Items

None.

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Program Title: **Pump Test and Hydraulic Services**

I. Program Overview

Southern California Edison's (SCE) Pump Test and Hydraulic Services (PTHS) program has delivered high quality pump testing services and quality technical information since 1911. Each year the program has been refined to present the customer with the information they need and pump testing data to implement energy efficiency measures for their hydraulic application.

II. Program Summary

1. Total program budget = \$1,667,800
Expenditures to date (including program commitments) = \$1,144,965

2. Total net demand reduction and energy savings:
Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.

3. Total number of customers served:
Projected Pump Tests = 2,000
Actual tests performed during the fourth quarter = 844
Total pump tests performed to date = 2,262

Projected Customer Contacts = 1,750
Actual EE Customer Contacts performed during the fourth quarter = 153
Total EE Customer Contacts performed to date = 1,854

4. Projected and actual number of units:
Please refer to the program activity tables shown in the corresponding program workbook.

5. Total rebate (\$) paid:
Not applicable to this information program.

III. Program Implementation Status

1. Status of program delivery
No change from the approved program implementation plan

2. Customer Enrollment

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This program targets downstream and upstream market participants. The primary targets are the downstream pumping system operators, who primarily are agricultural and water agency customers. Other nonresidential customers, who use significant energy for hydraulic pumping, include golf courses and sewage treatment plants.

SCE promotes the program to all eligible customers, through many different channels, including our energy efficiency account representatives, events at our energy centers in Irwindale and Tulare, participation in water trade associations, and equipment distributors and installers. Customers interested in a pump test must contact SCE. Tests are scheduled on a first come, first served basis.

3. Workbook

Please refer to informational tables shown in the program workbook for details of program expenditures and activities.

4. Training

In November SCE presented a refresher on pump test energy efficiency opportunities and practices at the 9th Annual Water Conference held at SCE's CTAC.

A similar presentation was made in December to ACWA (Association of California Water Agencies) at their meeting in Anaheim.

5. Marketing

There was no marketing for this program during the fourth quarter.

6. Hard-to-Reach

Pump Test & Hydraulic Services will continue in its efforts to provide needed services and information to geographically hard-to-reach customers. Due to the industry that PTHS services, many of the customers are by definition hard-to-reach customers and their businesses are located in outlying, rural locations.

IV. Program Accomplishments

SCE's Pump Test and Hydraulic Services group tested a total of 2,262 pumps. This activity represents exceeding the goal by 13%. PTHS program is an information program. However, based on the evaluations of this program in the past, the performance of these tests and the reporting of the energy efficiency results and recommendations to the customers will directly lead to the customers' taking action to increase the efficiency of the system by making the recommended repairs.

During this quarter, 153 customer contacts were made with agricultural and water customers. Information related to energy efficiency educational material, program

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information, and/or technical assistance was disseminated. A total of 1,975 contacts were made from April 1 through December 31, 2002.

V. Program Challenges

In 2003, efforts will be made to reach out to customers whose pumping systems have not been tested by this program. At the same time, SCE will continue to manage the needs and requests of those customers who rely value of the services offered through this program.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-05-056 -

“We require SCE to hire an independent, third party evaluation, measurement and verification contractor and to provide measurable performance goals in the implementation plans, i.e. number of planned pumping system tests.” (Attachment A, p. 60)

Response -

In regards to SCE’s overall measurement, evaluation, and verification plans and required performance goals, SCE has provided this information in the approved program implementation plans.

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Program Title: **Crosscutting Demonstration and Information Transfer**

I. Program Overview

The Local Crosscutting Demonstration and Information Transfer program is an information-only program that seeks to accelerate the introduction of energy efficient technologies, applications, and analytical tools that are not widely adopted in Southern California Edison's (SCE) service territory. The program targets both residential and nonresidential customer segments, including new construction, and engages in Demonstration & Information Transfer activities. The program is related to the statewide Emerging Technologies (ET) program, but is local in scope.

II. Program Summary

1. Total program budget = \$450,000
Expenditures to date (including program commitments)= \$450,000
2. Total net demand reduction and energy savings:
Categorized as an information program consistent with the California Public Utilities Commission's 2002 Energy Efficiency Policy Manual.
3. Total number of customers served:
The Local Crosscutting Demonstration and Information Transfer program focuses on the promotion of emerging technologies to all customers.
4. Projected and actual number of units:
Please refer to the program activity tables shown in the corresponding program workbook.
5. Total rebate (\$) paid:
Not applicable to this information program.

III. Program Implementation Status

1. Status of program delivery
No change from the approved program implementation plan.
4. Customer Enrollment
The program does not use customer enrollment and rebate application forms. For demonstration projects at customer sites, negotiated contract agreements are used for each project.

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5. Workbook

Please refer to informational tables shown in the program workbook for details of program expenditures and activities.

4. Training

The program did not sponsor any external training during the quarter.

6. Marketing

The program did not produce any new external marketing products during the quarter.

7. Hard-to-Reach

The Local Crosscutting Demonstration and Information Transfer program does not have specific goals for the hard-to-reach market segments. In general, the information the program generates through its demonstration activities tends to benefit all customers. One of the aims of the program is to explore the extent of application a new technology has in various market segments, in an effort to characterize the widest possible deployment opportunities. Thus, the program will seek opportunities to host appropriate demonstration projects at hard-to-reach customer sites, such as ethnic, small commercial, and residential customers. The information transfer will leverage the utilities overall efforts aimed at hard-to-reach customers.

IV. Program Accomplishments

During the fourth quarter, the following technology application assessments were being pursued:

1. Improving HVAC Performance and Indoor Air Quality (IAQ) using Ultraviolet Light. This a field test conducted at an office facility in collaboration with the HVAC industry. Field end-use energy monitoring and biological sample collections were completed during the quarter. A final report is in preparation.

2. Spray-on Radiant Barrier for Existing Residential and/or Small Commercial Buildings. A low emissivity coating will be sprayed onto the underside of roofs to form a radiant barrier. The radiant barrier will reduce attic air temperatures, and consequently reduce a structure's cooling load. Three low-income residential sites in SCE's desert service area signed agreements during the quarter to participate in this project.

3. Low-E Pigment for Stucco and Paints for Residential and/or Small Commercial Buildings. Low-e pigment for stucco and paints will be applied to building structures to reduce cooling loads and energy usage. Three low-

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income residential sites in SCE's desert service area signed agreements during the quarter to participate in this project.

- 4. Integrated Design for Nonresidential Retrofit Buildings.** SCE is working with the customer's design team to optimize the overall facility's energy usage using an integrated design approach during the design phase of a retrofit project. El Segundo Unified School District signed an agreement during the fourth quarter to participate in this project.
- 5. High Speed Hands Dryer.** A recently introduced hand dryer uses high velocity air to blow away most of the water on the hands and reduces the drying cycle by half of the time compared to a conventional hand dryer. The initial field tests and end-use monitoring were completed during the fourth quarter. Efforts to characterize usage in several additional market segments were started.
- 6. Advanced Heuristic Thermostatic Control System.** A new type of advanced thermostat, with an embedded heuristic control function wired to either one or more occupancy sensors, may be used to control a room's cooling and heating demand. The Arcadia Unified School District signed an agreement during the fourth quarter to test the technology. Several classrooms were retrofitted and monitoring equipment installed to collect room and ambient temperatures as well as heat pump energy usage.

V. Program Challenges

No significant problems encountered to date.

VI. Customer Disputes

None.

VII. Compliance Items

None.

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Program Specific Report: October 1, 2002 thru December 31, 2002

Program Title: **Local Government Initiative**

I. Program Overview

Southern California Edison's Local Government Initiative (SCE-LGI) educates and informs community leaders, local government planners, building officials, builders, building owners, small business owners, and consumers about the economic benefits of energy efficiency in the areas of residential and nonresidential new construction, as well as small business. Designed with extensive input from Southern California local government building departments, the innovative programs offered through SCE-LGI are designed to help local governments build self-sustaining energy efficiency partnerships with their constituents.

II. Program Summary

1. Total program budget = \$850,000

Expenditures to date (including program commitments) = \$849,987

2. Total net demand reduction and energy savings:

Categorized as an information program consistent with the California Public Utilities Commission's (CPUC) 2002 Energy Efficiency Policy Manual.

3. Total number of customers served:

Projected:

16 New local jurisdictions

12 Jurisdictions hard-to-reach

Actual:

18 Jurisdictions committed

12 Jurisdictions identified as hard-to-reach (✓ -- county population falls below the California median family income).

✓ Hanford	✓ Beaumont
✓ Ontario	Moorpark
✓ Banning	Thousand Oaks
✓ San Jacinto	Camarillo
✓ Delano	✓ Monterey Park
Garden Grove	✓ Norco
✓ Tulare	✓ Redlands
✓ Palm Springs	✓ Desert Hot Springs
Costa Mesa	Fullerton

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4. Projected and actual number of units:
Please refer to tables shown in the corresponding program workbook.
5. Total rebate (\$) paid:
Not applicable to this information program.

III. Program Implementation Status

1. Status of program delivery
No change from the approved program implementation plan.
2. Customer Enrollment
Due to the nature of the program there are no customer enrollment forms.
3. Workbook
Please refer to informational tables shown in the program workbook for details of program expenditures and activities.
4. Training
Customer training is typically not conducted due to the nature of the program. However, there are numerous workshops associated with codes and standards advocacy. These workshops are listed under the Program Accomplishments section shown below.
5. Marketing
A new brochure for the program was designed and created for distribution to existing jurisdictions. In addition, SCE created customized CEEP (Community Energy Efficiency Program) brochures by adding the city logo to the brochures if requested. A direct mail piece was sent to targeted jurisdictions promoting CEEP and well as other cross-cutting programs CheckPoint and Express Efficiency.
6. Hard-to-Reach
The Local Government Initiative will focused its efforts, primarily, on hard to reach jurisdictions in rural and/or predominantly moderate-income areas. To date, the program has secured 12 new local jurisdictions to the program from hard to reach geographical areas.

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IV. Program Accomplishments

By year-end, the LGI program secured participation from 18 new jurisdictions, which is two more than originally projected. Two of the participating cities actually solicited participation from SCE.

Several large production home builders, including Shea Homes, Premier Homes, Pardee Homes, Centex, Griffin Communities, New Urban West and many others have recently built CEEP communities (a CEEP community means homes are built to high performance standards that includes, mechanically designed HVAC, must meet ENERGY STAR® requirements, must meet CEC's tight duct criteria, installing subcontractors must use Building Industry Institute's "scopes of work," and CHEERS (California Home Energy Efficiency Rating System) inspections and diagnostics must be conducted by a certified CHEERS rater.

V. Program Challenges

No significant problems encountered to date.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

Decision 02-05-046 -

"We require SCE to provide more detailed budget information specifically on direct implementation costs and to hire an independent, third party evaluation, measurement and verification contractor." (Attachment A, p. 59)

Response -

To fulfill the requirement associated with direct implementation costs, SCE has provided more detailed information regarding the program budget as shown in Attachment B. SCE's overall measurement, evaluation, and verification plans may be found in Section 5.

In response to CPUC direction, SCE will notify customers that they cannot receive rebates, discounts, incentives or other services from more than one program for similar measures installed by the same customer. Furthermore, in the role as contract administrator, SCE will require third parties to eliminate customer double-dipping.

**2002 Energy Efficiency Quarterly Report Narrative
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Program Specific Report: October 1, 2002 thru December 31, 2002

Program Title: **Codes and Standards, Local**

I. Program Overview

This local program assists in the process to bring about cost-effective upgrades to the State's energy related codes and standards that will benefit California as a whole. The California Energy Commission (CEC) has begun the 2003/2005-revision process for both the Title 24 and Title 20 energy standards. This program supports the CEC 2003/2005 standard revision process for both California Title-20 and Title 24. Program activities include:

- Working with manufacturers and industry to develop test procedures for equipment certification, and
- Providing guidance through educational efforts targeted towards local code officials, contractors, consultants, and other groups that are part of the implementation, administration, and enforcement of both new and existing energy codes.

II. Program Summary

1. Total program budget = \$50,000
Expenditures to date (including program commitments)= \$50,000
2. Total net demand reduction and energy savings:
Categorized as an information program consistent with the California Public Utilities Commission's (CPUC) 2002 Energy Efficiency Policy Manual.
3. Total number of customers served:
The Local Codes and Standards program focuses on upgrades and enhancements in the energy efficiency standards and codes thereby benefiting all Californians.
4. Projected and actual number of units:
Please refer to tables shown in the corresponding program workbook.
5. Total rebate (\$) paid:
Not applicable to this information program.

III. Program Implementation Status

1. Status of program delivery
No change from the approved program implementation plan.

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Program Specific Report: October 1, 2002 thru December 31, 2002

4. Customer Enrollment

Due to the nature of the program there are no customer enrollment forms.

5. Workbook

Please refer to informational tables shown in the program workbook for details of program expenditures and activities.

4. Training

There are numerous workshops associated with codes and standards advocacy. These workshops are listed under the Program Accomplishments section shown below.

7. Marketing

The program did not conduct any marketing activities during this quarter.

8. Hard-to-Reach

Codes and Standards activities support hard-to-reach market segments by advocating cost effective code enhancements that promote energy efficiency for all building types and appliances included in the California standards.

IV. Program Accomplishments

SCE program staff sponsored a one-day training class on December 3, 2002. The class focused on high performance schools and energy efficiency opportunities. The training class was held in Tulare.

V. Program Challenges

No significant problems encountered to date.

VI. Customer Disputes

None.

VII. Compliance Items

The following list itemizes the various regulatory compliance items issued by the California Public Utilities Commission directly relating to this program.

**2002 Energy Efficiency Quarterly Report Narrative
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Program Specific Report: October 1, 2002 thru December 31, 2002

Decision 02-05-046 -

“We require SCE to provide more detailed budget information specifically on direct implementation costs. An independent, third party shall perform evaluation, measurement and verification of the program.” (Attachment A, p. 55)

Response -

To fulfill the requirement associated with direct implementation costs, SCE has provided more detailed information in the program workbook. SCE’s overall measurement, evaluation, and verification plans may be found in Section 5.

In response to CPUC direction, SCE will notify customers that they cannot receive rebates, discounts, incentives or other services from more than one program for similar measures installed by the same customer. Furthermore, in the role as contract administrator, SCE will require third parties to eliminate customer double-dipping.

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Program Specific Report: October 1, 2002 thru December 31, 2002

Market Assessment and Evaluation (MA&E) and Statewide Evaluation, Measurement and Verification (EM&V)

In July, the four utilities submitted 24 Requests for Proposals (RFPs) to conduct MA&E studies and statewide EM&V studies to Administrative Law Judge (ALJ) Sarah Thomas, as required by the Commission. As requested, the ALJ gave early approval to one of these RFPs. The Commission then suggested some areas of modification for the remaining proposals, which the utilities undertook. In October, the ALJ approved the remaining 23 RFPs.

One of the 23 RFPs, which involves collecting data for the residential new construction portion of the statewide energy efficiency saturation and market potential study, will be issued mid-year 2003, when sufficient new homes have completed construction under the new Title 24 building standards to provide current and representative data.

The remaining 22 RFPs were issued during the fourth quarter of 2002. The RFP for each project was sent to a list of qualified bidders developed for that project. Proposals for 19 of these projects were reviewed in December by project advisory committees consisting of a representative from each utility, two or more representatives from the Energy Division, and, for the MA&E studies, one or more representatives from the CEC. The project advisory committees reviewed all the proposals and discussed their strengths and weaknesses in relation to the selection criteria identified in the RFPs. Energy Division staff participated in these discussions both to provide their own input on strengths and weaknesses and to assure Commission oversight of the selection process.

On January 8, 2003 the utilities sent the assigned Administrative Law Judge a letter requesting approval of the selected bidders for the 19 projects. Letters for three additional projects which had January proposal due dates will be sent later in January. A purchase order will be issued for each project and work will begin on the project after ALJ approval of the selected bidder.

Project status as of January 15, 2003, is shown in the following table.

Lead Utility	Project	January 15, 2003 Consultant Selection Status
CPUC-Required Statewide MA&E Projects		
SCE	Master Contract for Coordination	Approved, project under way
SCE	Master Contract: New Evaluation Framework	Submitted to ALJ 1/8/03
PG&E	Energy Efficiency Potential/Saturation Study	Proposals in review
PG&E	Residential New Construction Potential Study	RFP to be issued 6/03
SCE	Residential Market Share Tracking Project	Submitted to ALJ 1/8/03
PG&E	Best Practices Database	Proposals in review
SDG&E	Deemed Savings Database	Submitted to ALJ 1/8/03

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Program Specific Report: October 1, 2002 thru December 31, 2002

Evaluation, Measurement & Verification for Statewide Energy Efficiency Programs

Residential Retrofit Programs

PG&E	Single-Family Rebates	Submitted to ALJ 1/8/03
SDG&E	Multi-Family Rebates	Submitted to ALJ 1/8/03
SCE	Mail-In and Online Home Energy Surveys	Submitted to ALJ 1/8/03
SCE	Refrigerator Recycling	Submitted to ALJ 1/8/03

Nonresidential Retrofit Programs

SCE	Standard Performance Contracting	Submitted to ALJ 1/8/03
PG&E	Express Efficiency	Submitted to ALJ 1/8/03
PG&E	On-Site Audits	Submitted to ALJ 1/8/03
PG&E	Building Operator Certification	Submitted to ALJ 1/8/03
SCE	Emerging Technology Demonstration	Submitted to ALJ 1/8/03

New Construction Programs

SCE	Savings By Design Building Efficiency Assessment	Submitted to ALJ 1/8/03
SCE	Savings By Design Market & Program Tracking	Submitted to ALJ 1/8/03
SCE	Energy Design Resources	Submitted to ALJ 1/8/03
SCE	Nonresidential New Construction Technical Support	Proposals in review
PG&E	Residential New Construction	Submitted to ALJ 1/8/03

Cross-Cutting Statewide Programs

SDG&E	Residential Lighting	Submitted to ALJ 1/8/03
SCE	Education & Training Services	Submitted to ALJ 1/8/03
SCE	Codes & Standards	Submitted to ALJ 1/8/03

Update on the Master Contract for Coordination

The recommended bidder resulting from the RFP for the master contract for coordination was approved by the ALJ and began work immediately in September 2002. CALMAC (the California Measurement Advisory Council) and the consultant team held a public workshop in September on a draft plan for coordinating and consolidating the evaluation, measurement and verification work for all the 2002 programs. The consultant team submitted its recommended evaluation coordination plan to the Commission in October 2002. The team also submitted a revised, detailed project plan to the project advisory committee in December 2002.