

ATTACHMENT I

SAN DIEGO GAS & ELECTRIC ENERGY MARKETPLACE PILOT

Introduction

In SDG&E's 2015 Energy Efficiency filing, SDG&E proposed an SDG&E Energy Marketplace Pilot ("Marketplace") to help customers connect with third party providers of Energy Efficiency and Demand Response products and services. At the time of the filing, SDG&E stated that more details were still being developed. This addendum provides additional information and details that have been developed since the time of the initial filing.

Marketplace Partner

On April 15th 2014, SDG&E issued a Request for Information (RFI) seeking a supplier that was able and willing to design and build an Energy Marketplace pilot.

In that solicitation, SDG&E asked potential partners to describe how their technology, experience, or personnel could bring unique aspects to the Marketplace and enhance value to the customers and increase satisfaction. In addition, SDG&E sought partners that were willing to share the cost of developing the Marketplace. Specifically, SDG&E was looking for a partner that would be willing to build and develop the platform for the Marketplace at no cost to SDG&E. SDG&E envisions that its partner would be compensated generated through referral fees from Marketplace sales transactions.

Based on the results of the competitive bidding process, SDG&E has selected a vendor as its partner for the Marketplace pilot

Key Functionality

1. **Comparison Shopping Functionality** – enabling customers to shop by comparing price, features, energy savings, efficiency, and rebates.
2. **Referrals** - referring customers to a participating vendor in order to complete a transaction to purchase a product or service.
3. **Recommendation Functionality** – providing customers with product suggestions that save energy and money by analyzing energy usage data, household characteristics and current products on the market.
4. **Customer Marketing (and Rebate Promotion) Functionality** - providing offers and rebates to customers based on energy efficiency or demand response goals.

5. **Rebate Processing Functionality** –exhibit rebate-eligible products with flags indicating SDG&E rebate-eligibility with links to the rebate application forms currently offered by SDG&E. Instant rebate functionality may be made available to allow a vendor to apply SDG&E’s instant rebate to a customer’s purchase during the checkout process.
6. **User-specific Recommendation Functionality** – if a customer chooses to register their account with the Marketplace, it will use customer-specific appliance type and usage data provided by either Non-Intrusive Load Monitoring (NILM) functionality or Home Audit functionality in order to deliver personalized recommendations while preserving all aspects of customer privacy.
7. **Home Audit Functionality** – in order to enable customers to have a personalized view of products that are most applicable to the characteristics of their home, customers will be able to edit their home details and step through a series of questions in order to complete a residential home audit.
8. **Virtual Home Functionality** – using an emotive infographic, customers will be able to quickly and easily surface products tips/recommendations and SDG&E rebate offers by simply “mousing” over various parts of the visual graphic interface. Once a product tip or rebate offer is surfaced, customers will be able to click through from the tip or offer directly into the Marketplace to browse products.

Products Category List

Category	Rebates Available	Rebate Eligibility Description
Books & Guides		
Electronics		
Freezers		
Heating & Cooling	Energy Star Qualified Central Natural Gas Furnace	Must have a 90% or greater Annual Fuel Utilization Efficiency (AFUE). Rebate(s): <ul style="list-style-type: none"> • \$100/unit (90% or greater AFUE) • \$200/unit (90% or greater AFUE with variable speed motor)
	Energy Star Qualified Room Air Conditioner	A list of qualifying products is available at energystar.gov, click on appliances and select room A/C. Rebate(s): <ul style="list-style-type: none"> • \$50/unit

Insulation	Wall Insulation	<p>Wall insulation is eligible for rebate as long as existing walls are un-insulated and are between conditioned living area and unconditioned area. Garages and other non-living areas do not qualify. The installed insulation must achieve a minimum of R-13. Ensure your invoice clearly shows the final R rating, the square footage, and purchase and install dates. Floor and ceiling insulation do not qualify for a rebate. Rebate(s):</p> <ul style="list-style-type: none"> • \$0.15/square foot
Lighting		
Pool Pumps	Variable-Speed Pool Pump and Motor	<p>Install or replace existing pool pump and motor with a variable-speed pump and motor. Manual control systems are not eligible. Pumps for pre-fabricated pools, pool cleaners, boosters, spas, and stand-alone water features are not eligible. The replacement of a motor only does not qualify for rebate. Rebate(s):</p> <ul style="list-style-type: none"> • \$200/unit
Refrigerators		
Refrigerators	CEE Qualified Refrigerator	<p>A list of qualifying products is available at CEE's website. Limit of one refrigerator rebate per household.</p> <p>Must be CEE Tier 2 or higher to qualify.</p> <p>Rebate(s):</p> <ul style="list-style-type: none"> • \$50/unit
Small Appliances		
Smart Home Devices		
Surge Protection		
Washers & Dryers	CEE Qualified Clothes Washer	<p>A list of qualifying models is available at CEE's website. Qualifying clothes washers must be Tier 3. Qualifying clothes washers must have a Modified Energy Factor (MEF) of 2.4 or greater and Water Factor (WF) of 4.0 or less. Rebate(s):</p> <ul style="list-style-type: none"> • \$50/unit

Water Heaters	Efficient Natural Gas Storage Water Heater	<p>Efficient natural gas storage water heaters must have an Energy Factor (EF) of 0.62 or greater to qualify for the \$100 rebate. This rebate is limited to natural gas storage water heaters that are 30 gallons or greater. If qualifying product is replacing an existing unit, the existing unit must be natural gas.</p> <p>Rebate(s):</p> <ul style="list-style-type: none"> • \$100/unit for EF of .62 or greater
	Efficient Electric Storage Water Heater	<p>Efficient electric storage water heaters must have an Energy Factor (EF) of:</p> <ul style="list-style-type: none"> 0.95 or greater for 30 gallons 0.94 or greater for 40 gallons 0.93 or greater for 50 gallons 0.91 or greater for 60 gallons or more <p>This rebate is limited to electric storage water heaters that are 30 gallons or greater. If qualifying product is replacing an existing unit, the existing unit must be electric.</p> <p>Rebate(s):</p> <ul style="list-style-type: none"> • \$100/unit
	Energy Star Qualified Heat Pump Water Heater	<p>Heat pump water heater must have Energy Factor (EF) of 2.0 or greater to qualify for the \$250 rebate. This rebate is limited to heat pump storage water heaters that are 40 gallons or greater. If qualifying product is replacing an existing unit, the existing unit must be electric.</p> <p>Rebate(s):</p> <ul style="list-style-type: none"> • \$250/unit for EF of 2.0 or greater

Service Products Category List

Category	Rebates Available	Rebate Eligibility Description
Door & Window Install		
Energy Audits		
Home Protection Plans		

Heating & Cooling	This is a currently a service with incentives paid to the customer to buy down service provided.	1. Must be a SDG&E® customer 2. Must be a single family home for Quality Maintenance (n/a to Quality Installation) 3. Residence must have a central air conditioner or heat pump that is functioning 4. Must use HVAC contractor approved by the program
Insulation Install		
Pool Pump Install		
Rooftop Solar Install		
Water Heater Install		

Marketplace Vendor Participation Policy and Procedures

For vendors who wish to participate in the Marketplace, the Marketplace will include information in the “Contact Us” portion of the Marketplace letting potentially interested vendors know who to contact if they wish to be considered for inclusion. Vendors who express interest via the aforementioned email address will be sent a packet of information with the requirements to be considered. Once a vendor returns the completed application form and an executed agreement, the approved vendor will be added within sixty (60) calendar days.

Acceptance Criteria for Product Vendors

- Vendor must have an online store that carries one or more products that have been selected to be presented in the Marketplace.
- Online store must have industry standard e-commerce shopping and security features including clear navigation, posted privacy policy, secure checkout, and secure user account tools including order status and order history. Store must accept a minimum of MC, Visa, Discover and American Express for payment.
- Vendor’s online store must offer an affiliate program that pays commissions on orders resulting from traffic generated by affiliates. Vendor’s offered commission rates must be at or above the current minimum commission rates established by the Marketplace, and such minimum commission rates are subject to change from time-to-time due to market conditions. Any changes to minimum commission rates will apply equally to all Vendors.
- Online store must use an established affiliate tracking/reporting/commission payment service such as LinkShare (Rakuten Affiliate Network) or CJ Affiliate (formerly Commission Junction), or demonstrate that they have a reliable internal system for tracking affiliate traffic and orders, and for handling reporting and commission payments for orders generated by affiliate traffic.
- Online store must offer affiliate program terms and conditions that are acceptable to SDG&E.
- Vendor’s affiliate offering must have an API for retrieval of current price, stock status/availability and URL for product SKUs, and must have an API for retrieval of affiliate orders, order information, and commissions due from such orders.
- Vendor may offer online instant rebates on rebate-eligible product products to customers if the Vendor builds a process that validates with SDG&E that a customer has an active SDG&E

account, and Vendor can apply to SDG&E with order details and account validation for reimbursement of applied instant rebates.

- SDG&E reserves the right to reject or discontinue vendors based on significant customer service complaints (complaints from more than 1% of customer transactions) or if vendors are in violation of any applicable terms or conditions.
- If a Participant is discontinued per above, the Participant may challenge the decision before the CPUC through its existing complaint procedure.

Acceptance Criteria for Service Vendors (Service professional referral networks)

- Vendor must have a website that connects customers with screened contractors/service professionals in at least three of the service products categories that have been selected to be presented in the Marketplace.
- Vendor's online website must offer the ability to direct-link to service request forms for the specific service products selected to be presented in the Marketplace.
- Vendor must demonstrate that their website has a meaningful number of participating contractors/service professionals located within SDG&E's service territory and in the service products categories selected to be presented in the Marketplace.
- Vendor's website must collect and present consumer reviews on participating contractors/service professionals to help customers evaluate their options.
- Vendor's website must offer an affiliate program that pays referral commissions on service products requests resulting from traffic generated by affiliates. Vendor's offered commission payments must be at or above the current minimum commission payments established by SDG&E, and such minimum commission payments are subject to change from time-to-time due to market conditions. Any changes to minimum commission payments will apply equally to all vendors.
- Vendor's website must use an established affiliate tracking/reporting/commission payment service such as LinkShare (Rakuten Affiliate Network) or CJ Affiliate (formerly Commission Junction), or demonstrate that they have a reliable internal system for tracking affiliate traffic and service requests, and for handling reporting and commission payments for service requests generated by affiliate traffic.
- Vendor must offer affiliate program terms and conditions that are acceptable to SDG&E.
- Vendor's affiliate offering must have an API or partner portal website for regular retrieval of affiliate service requests and commissions due from such service requests.
- SDG&E reserves the right to reject or discontinue vendors based on significant customer service complaints (complaints from more than 1% of customer transactions) or if vendors are in violation of any applicable terms or conditions.
- If a Participant is discontinued per above, the Participant may challenge the decision before the CPUC through its existing complaint procedure.

Revenue from Marketplace

During the pilot phase of the Marketplace, SDG&E will not collect any revenue. For its portion of the revenue share (i.e. referral fees or commission collected by the Vendor), SDG&E shall instruct the Vendor to contribute one-hundred percent (100%) of SDG&E's portion towards marketing costs for the Marketplace.

If the pilot is successful, SDG&E currently intends to file an application in the future to request authority to implement an Energy Marketplace site that is expanded to cover other products and services. While the details have yet to be developed, SDG&E anticipates that it would propose a sharing mechanism to provide for sharing of revenues generated through the site between ratepayers and shareholders. SDG&E's long-term goal is to create an Energy Marketplace site that is designed to expand conservation, demand response and energy efficiency, distributed energy resources, encourage innovation, reduce barriers to entry for new providers, and promote a more informed and empowered customer, all without the need for incremental ratepayer funding.