Mobile Home Park Pilot Cost Analysis

Eric Borden, Energy Analyst, TURN

Background

- Issued data request to IOUs for site-specific cost and safety information*

Limitations

- In general, IOUs did not break out behind the meter (BTM) costs
- Little safety information provided by IOUs (e.g. "SED responsible," "Should request from SED," or "do not track")
- All sites are anonymous (no location data)

*PG&E stated at the workshop on 3/20/19 that cost data for one of the sites provided to TURN was inaccurate. TURN has removed that site from the analysis presented here.

Primary Insights

1. Significant disparity among utility site and space costs
2. Significant ratepayer impact - high average costs per space and site
3. Site data demonstrates very strong correlation among number of spaces / feet of trenching which drive total site costs
4. Per space costs are relatively consistent within a given utility.
   - However, some large "outliers" seen in the data.
5. Utilities have converted or are in the process of converting the vast majority of the "Category 1" sites
   - Will likely experience "diminishing safety returns" as the program moves forward

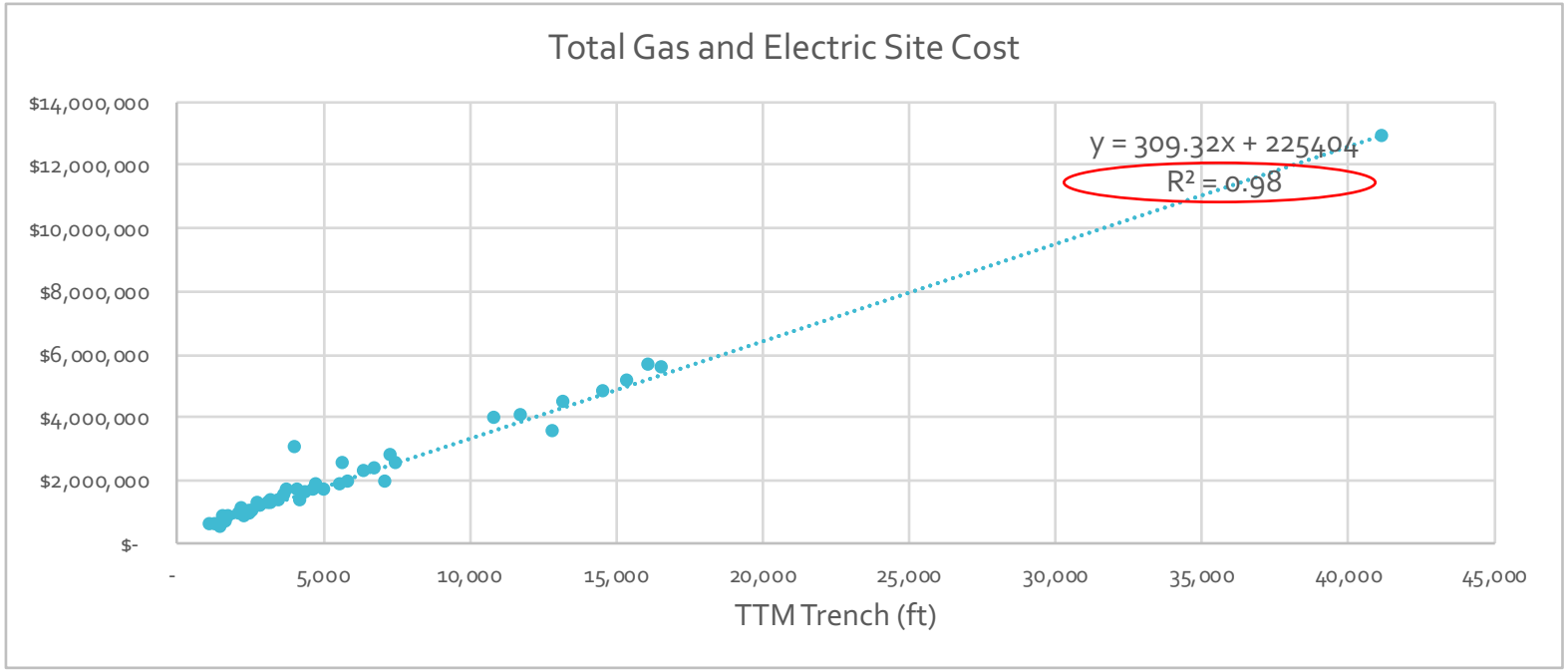
Summary Cost Information

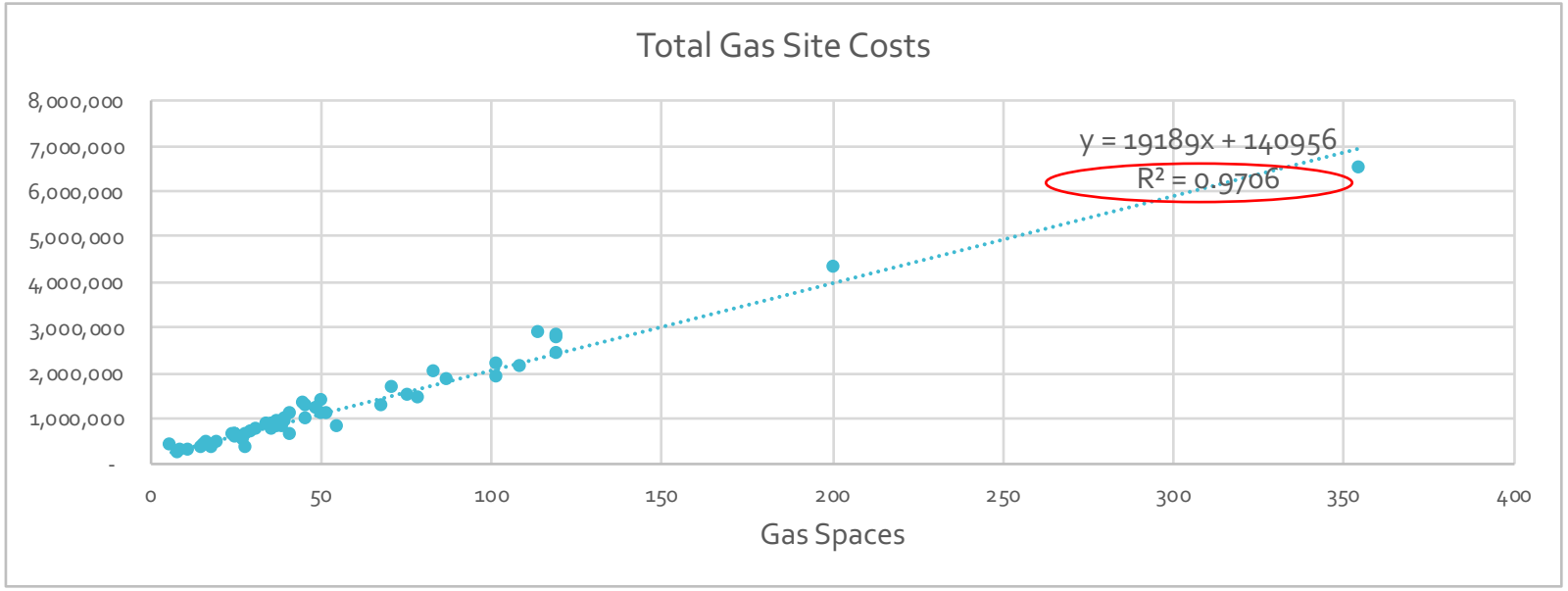
	Average Cost Per Space			
	Gas	**Electric**	**Total**	**Spaces**
PG&E	$23,397	$23,332	$46,728	49
SCE*	N/A	$14,307	$14,307	64
SCG	$9,895	N/A	$9,895	48
SDG&E	$15,498	$14,568	$30,067	107

	Average Cost Per Site			
	Gas	**Electric**	**Total**	
PG&E	$1,214,820	$1,047,049	$2,261,869	
SCE	N/A	$737,256	$737,256	
SCG	$468,007	N/A	$468,007	
SDG&E	$1,698,558	$1,507,814	$3,206,372	

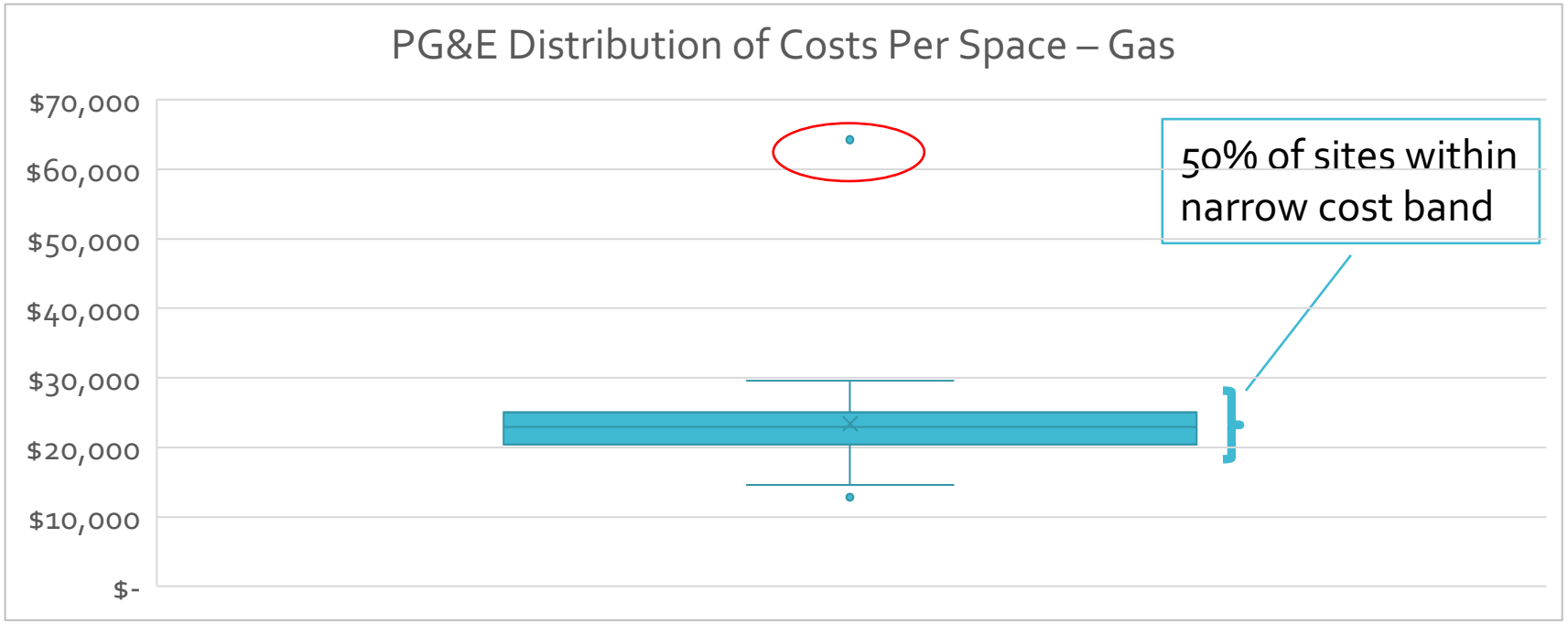
*SCE Provided range of spaces converted rather than actual. This is an approximation using midpoint of the range.

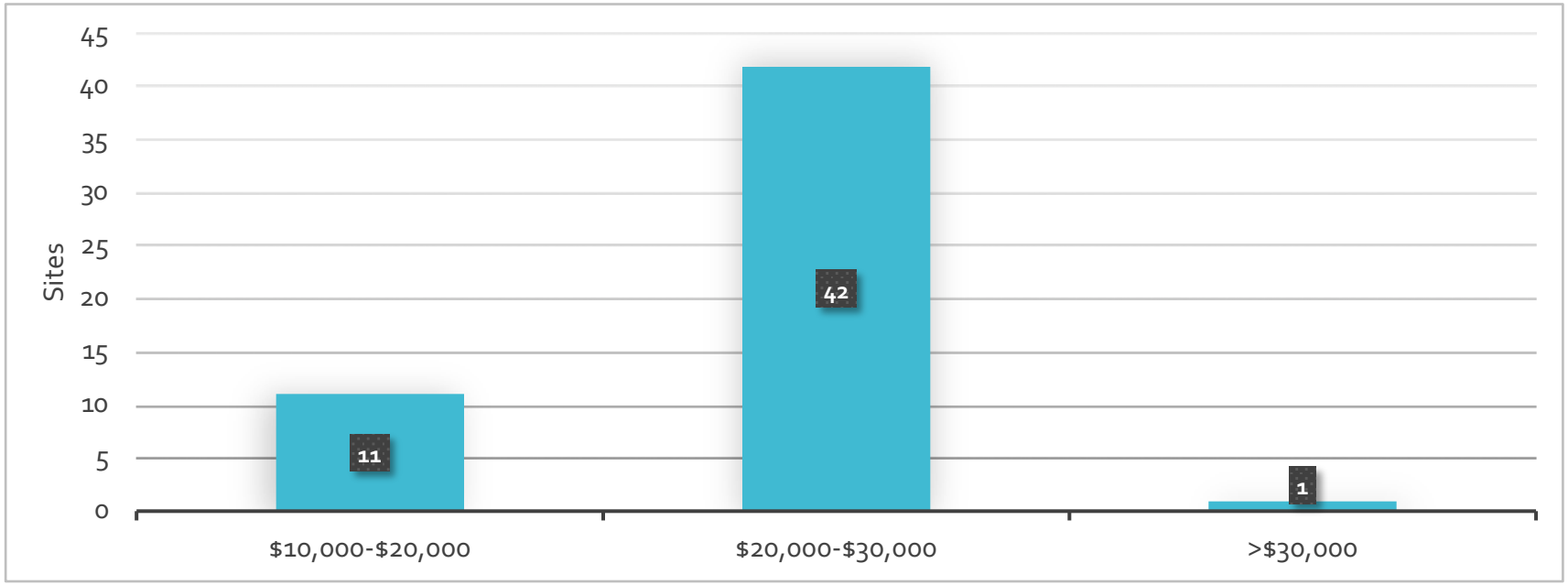
Total Site Costs Driven by Number of Spaces / Feet of Trenching





Per Space Costs are Relatively Consistent Across Sites



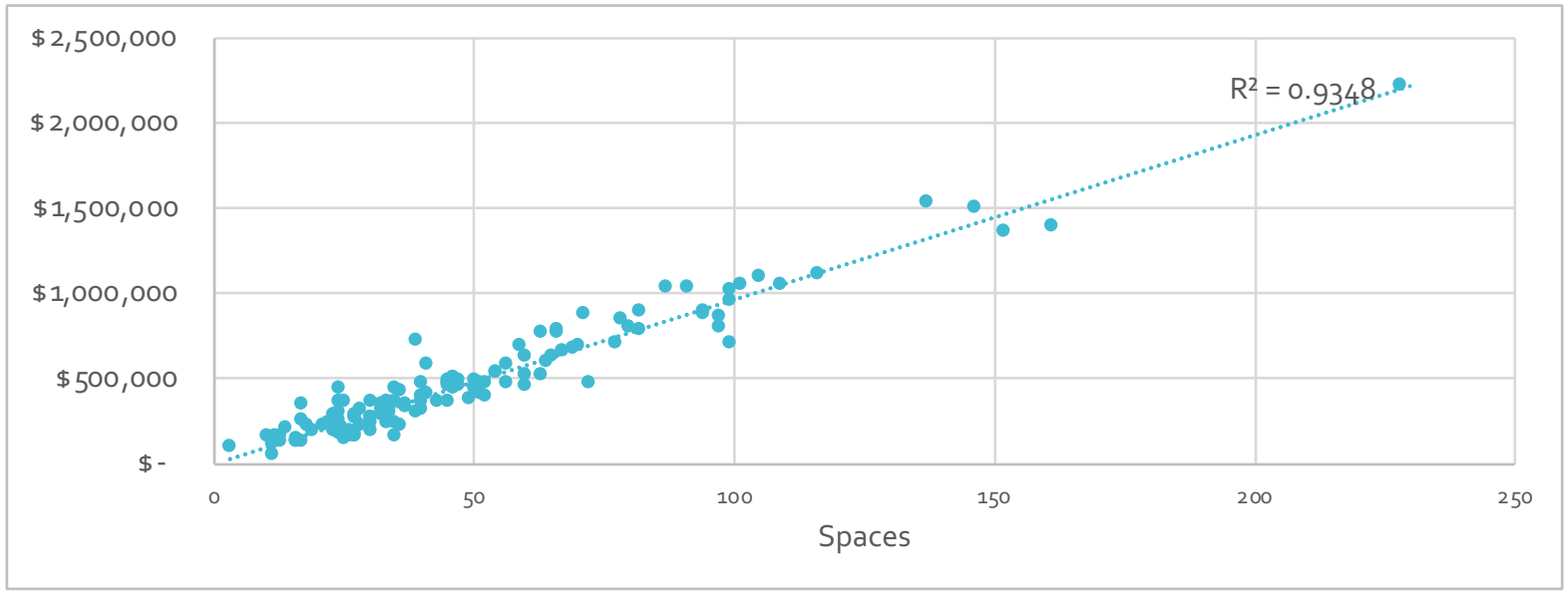


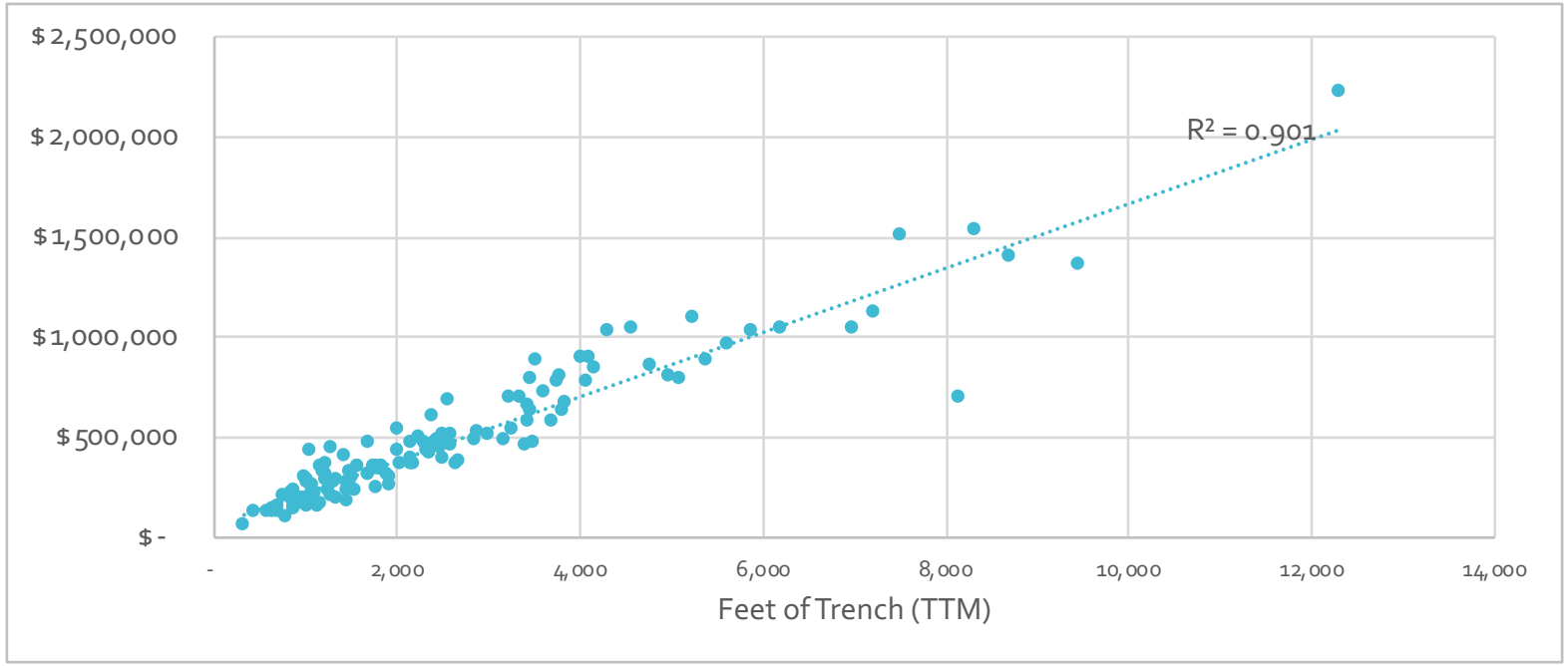
Conclusions

- The MHP program must be designed to reduce the greatest amount of safety risk at least cost – at a time of significant pressure on affordability for ratepayers, this is not currently reflected in the program design
- There is sufficient data and cost certainty to move beyond the "pilot" approach and institute cost containment measures:
  - Forecast cost and projects in applications on 3 year cycle
  - Annual space / budget cap with minimum safety criteria
  - Per space cost cap
  - Ratemaking treatment of behind the meter costs should be revisited
- Greater focus on least safe / riskiest sites – for example, potentially should not convert all Category 3 sites depending on safety characteristics
  - Is there a safety score cutoff under which a site would not be allowed to participate in the program?
  - How can most risky sites be prioritized?
  - Should there be greater emphasis on data collection to understand condition of ALL MHP sites in utility territory and create cutoff based on this rather than the sites who have applied to the program to-date?
  - How can we leverage existing data from SED to understand what sites are, relatively, the most risky.

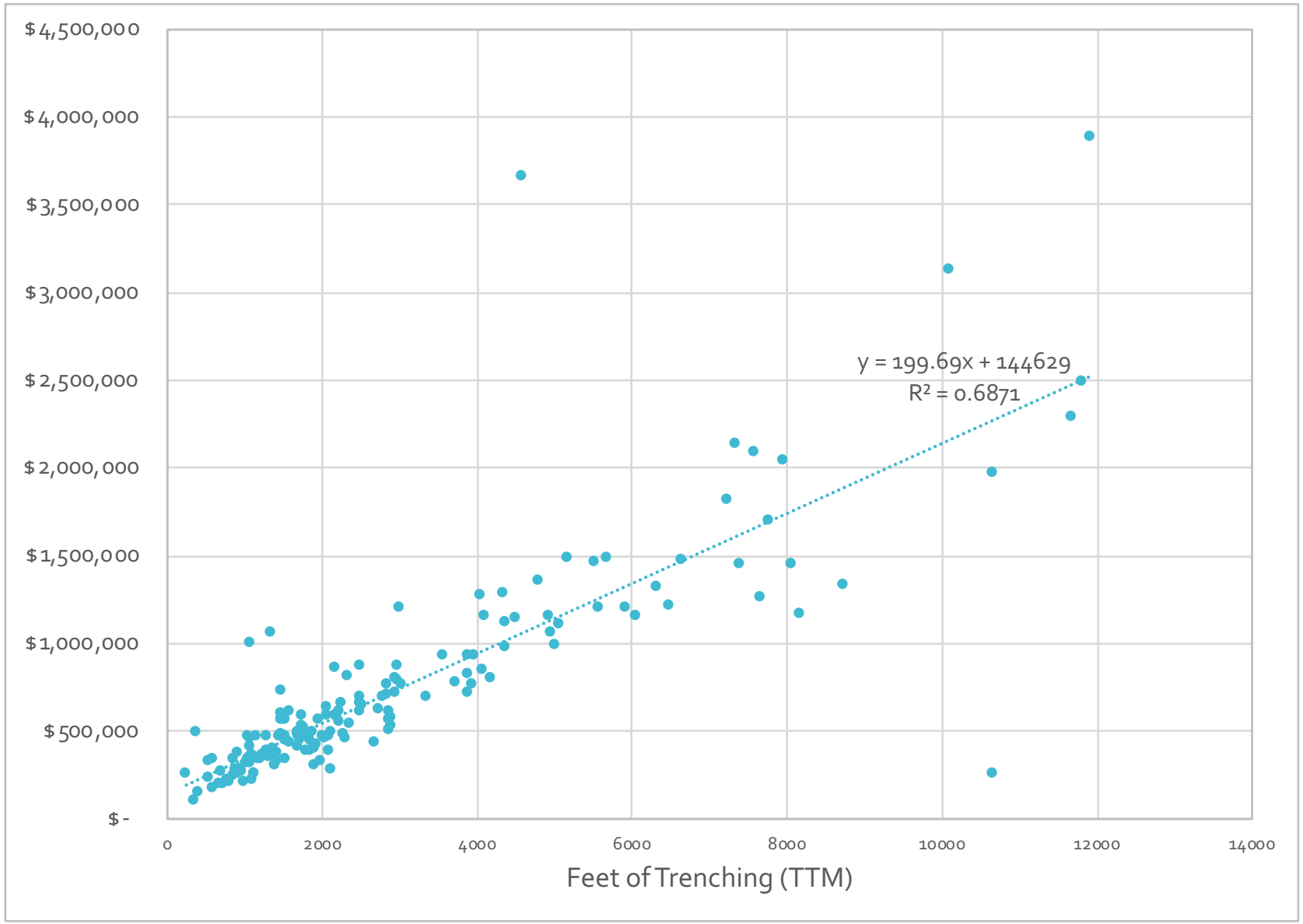
Backup Slides

SCG

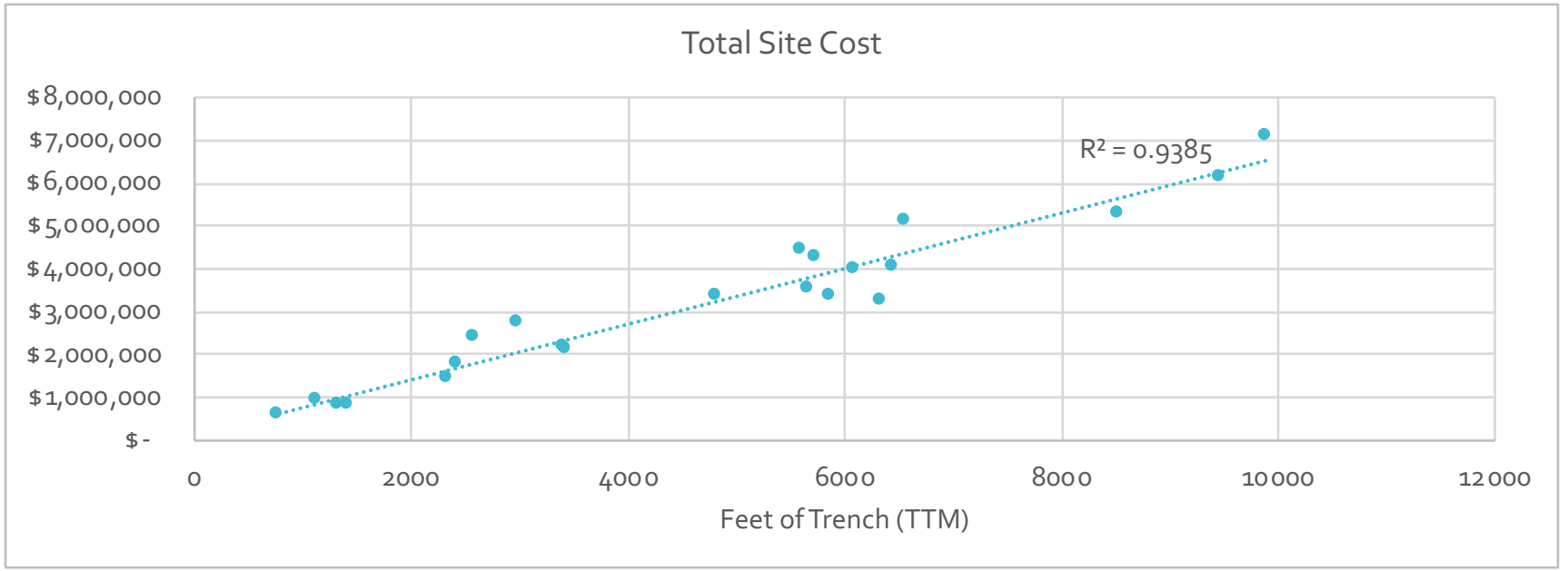

$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$ -
0
50
100
150
200
250
Spaces
R² = 0.9348

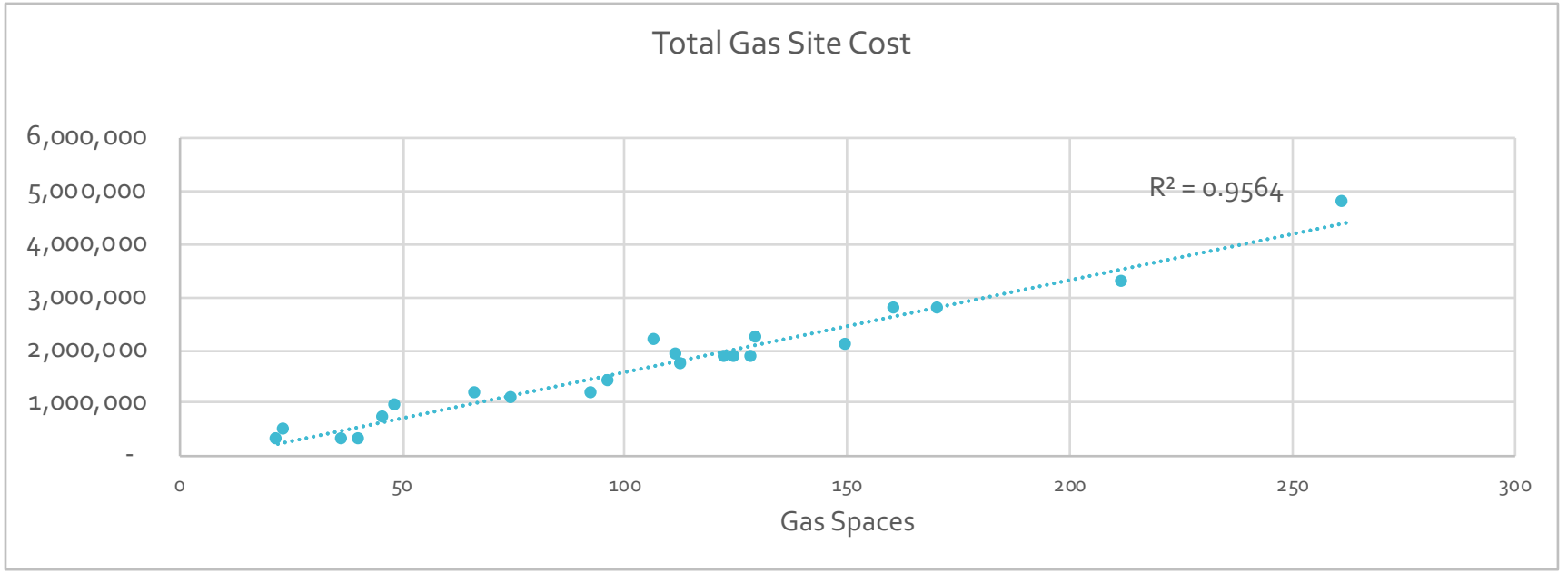

$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$ -
-
2,000
4,000
6,000
8,000
10,000
12,000
14,000
Feet of Trench (TTM)
R² = 0.901

SCE


$4,500,000
$4,000,000
$3,500,000
$3,000,000
$2,500,000
$2,000,000
$1,500,000
$1,000,000
$500,000
$ -
0
2000
4000
6000
8000
10000
12000
14000
y = 199.69x + 144629
R² = 0.6871
Feet of Trenching (TTM)

SDG&E


Total Site Cost
$8,000,000
$7,000,000
$6,000,000
$5,000,000
$4,000,000
$3,000,000
$2,000,000
$1,000,000
$ -
R² = 0.9385
0
2000
4000
6000
8000
10000
12000
Feet of Trench (TTM)


Total Gas Site Cost
6,000,000
5,000,000
4,000,000
3,000,000
2,000,000
1,000,000
-
R² = 0.9564
0
50
100
150
200
250
300
Gas Spaces