Objectives

1. Both early adopter participants and agencies who have yet to fully integrate efficiency into their strategy (particularly disadvantaged and resource-constrained communities) will benefit from coming together through this session to learn and discuss barriers and opportunities introduced.

2. Participants will be encouraged to discuss solutions whereby ratepayer funded programs can better serve the public sector market given the new obstacles reviewed.

3. Understand how Energy Division evaluates programs as we move towards additional platforms for deeper energy savings.
Simplify.
# Today’s Agenda

<table>
<thead>
<tr>
<th>Topic</th>
<th>Presenter</th>
<th>Est.Time</th>
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<tr>
<td>Introductions &amp; Overview</td>
<td>Laurel Rothschild, The Energy Coalition</td>
<td>13 min</td>
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<tr>
<td>CPUC Update on Energy Efficiency Program Direction</td>
<td>Nils Strindberg, CPUC Energy Division</td>
<td>7 min</td>
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<td>Policies driving programs</td>
<td>Athena Besa, SDG&amp;E</td>
<td>10 min</td>
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<td>Walking through the process</td>
<td>John Rossi, TRC Solutions</td>
<td>15 min</td>
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<td>Questions to ponder</td>
<td>Brendan Havenar-Daughton, PG&amp;E</td>
<td>5 min</td>
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<tr>
<td>Open discussion, including Q&amp;A</td>
<td>Moderated by Laurel Rothschild, The Energy Coalition</td>
<td>25 min</td>
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Today’s Speakers

Laurel Rothschild
Director of Energy Programs
The Energy Coalition

Nils Strindberg
Sr. Regulatory Analyst
Residential Programs & Portfolio Approval Section
CPUC Energy Division

Athena Besa
Energy Efficiency
Sr Project Manager
San Diego Gas & Electric
Today’s Speakers

Jonathan Rossi, PE
Program Manager,
C&I Programs
TRC Solutions

Brendan Havenar-Daughton,
Local Government
Energy Strategy Lead
Pacific Gas & Electric
What is the West Side Energy Partnership?

The West Side Energy Partnership is a collaboration among six cities, Southern California Edison, the SoCalGas Company, and The Energy Coalition. Its mission is to help partner cities save energy through efficiency by leading the way in retrofit projects, outreach effort, policy development, and more.
What is SoCalREN?

The SoCalREN Public Agency Program strives to achieve an unprecedented level of energy savings across Southern California by helping public agencies identify and implement projects.

The program is administered by the County of Los Angeles and funded by California utility ratepayers under the auspices of the CPUC.
Who’s in SoCalREN?

108 Agencies

3 Counties
19 Water Agencies
8 School Districts
3 Special Districts

75 Cities

Who’s Eligible?
700+ public agencies in IOU territories
A Tailored Project Delivery Approach

A dedicated SoCalREN Project Manager supports a project at every stage
Why this topic?

49,954,854 kWh
2,176 kW
125,167 Therms

Energy Savings: Cumulative IOU first year energy savings to date (projects installed)

544
Incentive Applications Submitted to date
SCE: 510 | SCG: 34

185
SoCalREN projects completed to date
xx+ more in development

$14,345,930
Utility Incentives (projects installed)

$15,350,177
Utility Incentives (reserved + projects installed)

$19,697,696
Utility On Bill Financing (projects installed)

$20,397,290
Utility On Bill Financing (reserved + projects installed)
When was this last updated? +idorin@energycoalition.org
Laurel Rothschild, 6/12/2018

2015
Ivana Dorin, 6/12/2018
Public Agency Feedback on Incentive Programs

- High understanding of energy efficiency incentive programs and satisfaction with available support services.

- **Policy changes have had an overall negative impact** on participant experience.

- Most commonly encountered obstacles are
  - upfront application document requirements,
  - delays in application processing,
  - communication/timing of expiring incentives.

- Respondents were most interested in understanding
  - incentive design & eligibility,
  - application requirements & delays,
  - policy communication
  - EE program direction.

- Most success and struggle with **lighting measures**.
Energy Efficiency Program Flow

CA Public Utilities Commission (CPUC)

PPP funds directed to LA County for REN

Utilities, SCE & SoCal Gas

LA County (LAC)
  Administers REN

SoCal Regional Energy Network (REN)
  Customer programs, Govt programs

The Energy Coalition (TEC)
  Hired by LAC to implement REN

Consultants
  Hired by TEC to provide technical assistance

City
  Implements projects

Ratepayers pay utilities

Incentives

Utility Customers

Southern California Regional Energy Network
EE Project Players and Responsibilities

- **Agency**: Provides access to sites, responds to inquires and provides information when requested.

- **Implementer or IOU Account Representative**: Prepares incentive packages and addresses questions and concerns during tech review process.

- **3rd Party Technical Reviewer (Custom)**: Under contract with IOU to review savings claims and project packages. Work with Agency/Implementer/Account Rep to resolve issues. Makes approved savings recommendations.

- **IOU**: Ultimately held responsible, by the CPUC, for ensuring energy savings are grid coincident! IOUs issue approval letter(s), and cuts incentive checks.

- **CPUC Staff**: Typically no involvement at all! Only a handful of projects are selected for Ex-Ante review. If selected, an in-depth review is performed.
Q&A
Let’s Discuss!
Thank you for joining us today!

Additional Questions? Contact us:

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The Energy Coalition  
lrothschild@energycoalition.org  
(949) 732-1071  

Jonathan Rossi, PE  
TRC Solutions  
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(949) 341-8201  

Nils Strindberg  
CPUC Energy Division  
Nils.Strindberg@cpuc.ca.gov  

Athena Besa  
San Diego Gas & Electric  
ABesa@semprautilities.com  

Brendan Havenar-Daughton,  
Pacific Gas & Electric  
B2H6@pge.com  

But wait...there's more!  
Please refer to the flashdrive for additional reference materials
APPENDIX SLIDES
Public Agency Feedback on Incentive Programs

- Survey distributed via SoCalREN Public Agency Program and Westside Energy Partnership email communication channels and directly to over 160 contacts
- Distributed 4/24/18 and open to responses for ~3 weeks
- 21 total responses
Survey Design

● Goals
  ✓ Assess public agency understanding and satisfaction with EE incentive programs
  ✓ Determine if there are any gaps left by the current support services available
  ✓ Request open feedback on program experiences, both positive and negative

● Audience
  ○ 100+ agencies contacted - wide range of EE program experience
  ○ 200+ individuals contacts

● Basic info collected
  ○ Name, Email Address, Agency
Participants
Survey Questions

How would you rate your overall understanding of energy efficiency incentive programs offered by the utilities?

○ Scale of 1-5, from Very Unfamiliar (1) to Very Familiar (5)

How would you rate your overall satisfaction with energy efficiency incentive program support?

○ Scale of 1-5, from Very Unsatisfied (1) to Very Satisfied (5)

How would you describe the impact that policy changes for incentive programs, such as expiring incentives and influence requirements, have had on your agency’s interest in energy efficiency incentive programs?

○ Scale of 1-5, from Very Negative (1) to Very Positive (5)
Responses

Understanding of Programs

- Average Response: 4.0

Satisfaction with Support

- Average Response: 4.0

Impact of Policy Changes

- Average Response: 2.8
Survey Question

What are the biggest challenges of working with utility energy efficiency incentive programs? (Select up to three)

- Initial documentation required for application submittal
- Time Required for Application Approval
- Communication and timing of expiring measures
- Documentation requirements for application closeout (installation report)
- Time required to receive incentives and/or OBF reimbursement
- Pre-Post-installation inspections
- Collection of Technical Data
- *Measures are not cost effective (user added)*
- *Expiring/Changing/Reduced Incentives (user added)*
- *Lack of assessment incentives (user added)*
## Responses

<table>
<thead>
<tr>
<th>Category</th>
<th>Bar Length</th>
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<tbody>
<tr>
<td>Initial documentation required for application submittal</td>
<td>Longest</td>
</tr>
<tr>
<td>Time Required for Application Approval</td>
<td>Longest</td>
</tr>
<tr>
<td>Communication and timing of expiring measures</td>
<td>Fourth</td>
</tr>
<tr>
<td>Documentation requirements for application closeout (installation report)</td>
<td>Third</td>
</tr>
<tr>
<td>Time required to receive incentives and/or OBF reimbursement</td>
<td>Second</td>
</tr>
<tr>
<td>Pre/Post-Installation Inspections</td>
<td>Eighth</td>
</tr>
<tr>
<td>Collection of Technical Data</td>
<td>Fourth</td>
</tr>
<tr>
<td>Measures are not cost effective</td>
<td>Shortest</td>
</tr>
<tr>
<td>Expiring/Changing/Reduced Incentives</td>
<td>Shortest</td>
</tr>
<tr>
<td>Lack of assessment incentives</td>
<td>Shortest</td>
</tr>
</tbody>
</table>
If you could ask the utilities and/or the California Public Utilities Commission (CPUC) one question regarding incentive programs, what would it be?
Responses

Primary Issue Categories

- Measure and Incentive Eligibility
- Application Challenges - Requirements & Delays
- Energy Efficiency Incentive Program Direction
- Communication of Policy Changes for EE Programs
Additional Questions

➢ Describe a project success story involving utility incentive programs.

➢ What contributed to the project’s success?

➢ What factors helped to make the project successful?
Additional Questions

➢ Describe a project that was negatively impacted due to issues with utility incentive programs.

➢ What about the utility incentive program caused a negative impact?

➢ What were the consequences for the project?

- Lighting measure expiration
- Reduced incentives
- Documentation requirements
Summary

✓ Understanding of energy efficiency incentive programs and satisfaction with available support services both scored high among respondents. However, policy changes have had an overall negative impact on participant experience.

✓ The most commonly encountered obstacles are upfront application document requirements, delays in application processing, and communication/timing of expiring incentives.

✓ Most questions the respondents would like to ask the CPUC were focused on incentive design & eligibility. Other recurring themes were application requirements & delays, policy communication, and EE program direction.

✓ Most projects described in the success/struggle section involved lighting measures.
Calculated Energy Efficiency Incentives

Christopher Scott
Program Manager
Business Core & Finance Programs
The SCE Online Application Tool (www.sceonlineapp.com) is not only the host site for submitting Calculated and Partnership energy efficiency incentive project applications, it houses a number of valuable resources.

• The landing page is titled “What’s New” and is updated regularly.

• This is your one-stop shop for legislative, program and measure updates, including policy manuals and guidelines.
  – We recommend you visit this site at least once per week.

• The Tool also houses the most up to date information for:
  – SCE’s non-residential energy efficiency programs
  – Job aids
  – Calculation tools
  – And more!

SCE.com is also a great resource to access your site specific information, from rates and billing to SCE’s commitment to clean energy.

➢ If you have not already signed up for My Account, please click on the link so you can enroll now!
SCE began providing early screening services to assist project developers on all Calculated (Custom, RCx/BRO, Partnership, Third Party) project submissions.

- Effective April 2, 2018, an Early Screening Document (ESD) approval email from SCE is required for all Calculated project submissions.
- The ESD Document and ESD Job Aid are posted on the “Customized, Retrocommissioning and Forms” tabs on the Online Application Tool.
- An ESD training video is also available to assist customers and Trade Professionals with successful submissions.

The Early Screening Document was developed to:

- Improve customer satisfaction and mitigate the risk of setting unrealistic customer expectations.
- Establish a uniform and well-understood approach for identifying project quality issues upfront.
- Reduce inconsistent quality and unacceptable level/type of findings at the Ex Ante Review stage.
- Review and recommend measure level influence requirements.
SCE’s Project Feasibility Study (PFS) is a living document used by all of SCE’s programs that utilize calculated incentives (Customized, RCx/BRO, Partnerships, Third Party), and will continue to be updated on an as needed basis.

The newest version of the PFS is posted on the SCE Online Application Tool, and includes:

- Updated influence driver definitions.
- Updated narrative and influence recommendations.
- Check boxes and attachments that will help implementers/providers to identify which forms of evidence of influence are being provided to support the project on a measure by measure basis.

The PFS was developed to:

- Be the single use document for Calculated incentive submissions.
- It should include the:
  - Narrative
  - Supporting influence
  - Influence documentation
    - Emails, screen shots, pictures, maintenance records, financial requirements, etc.
- It should also include:
  - All attachments that support the project
    - Audits, Savings calculations, Etc.
Influence and Influence Job Aid

The Influence Job Aid is a living document and will continue to be updated periodically on an as needed basis.

The criteria on the Job Aid are a collection of commission staff documents and SCE internal documents that discuss influence and/or preponderance of evidence as defined by the Energy Division and the Statewide Working Group, and have been approved through a collaboration between SCE’s Public Sector (Partnerships), Third Party and Calculated (Customized and BRO/RCx) programs.

- These collaborative groups required that assertions of program influence be backed up with supporting documentation that clearly demonstrates the implementer’s and utility’s roles in influencing customer decisions and actions. Program influence must demonstrate that the energy efficiency program caused a net benefit (for the ratepayers) by motivating the customer to implement absent the program intervention.

These three qualifiers should be key drivers of every project:

1. **Identification**: The program assists the customer in identifying energy efficiency opportunities.
2. **Technical Assistance**: The program provides technical resources to facilitate the project (e.g. equipment inventory, equipment testing, data logging, etc.)
3. **Financial Assistance**: When the availability of incentive support to the customer directly becomes the deciding factor in the selection of a more efficient alternative solution to the one or ones that would otherwise be selected.

This document was developed to:

- Improve the quality of influence and evidence provided in project narratives (e.g. Project Feasibility Studies).
- To help provide guidelines on what is an acceptable level of influence evidence needed to support projects based on project incentive values.
  - Copies of communications and supporting documents to and from end-use customers that document when and how the customers made their decisions are key.
- To centralize influence related criteria that do not utilize Yes/No questions or communications.
The evidence being supplied should come primarily from the end-use customer via documented communications with screen shots of emails, meeting minutes, audit reports, pictures, etc. The customer should describe:

- Of the 14 forms of criteria (in the job aid), those that list or describe multiple forms of evidence of influence, not all are required.
- 7 key forms of evidence of influence to support every project
  - How the initial communication with the implementer was initiated
  - What the Customer was going to do prior to being influenced by the implementer
  - What the Customer was moved to do after being influenced by the implementer
  - Who the Customer decision maker(s) were, how the decision was made and when
  - The business requirements that had to be fulfilled in order for the Customer to move forward with the measure/project
  - The financial requirements that had to be fulfilled in order for the Customer to move forward with the measure/project
    - If a measure’s simple payback (Return on Investment or ROI) exceeds the Expected Useful Life (EUL), the Customer should explain the reason behind the business decision to implement the measure(s)
  - If a measure’s simple payback (ROI) is ≤ 2 years, financial savings should not be used as the primary influence driver
Documents that Support a Calculated Project

All of these documents are available on the **Customized Solutions** tab of SCE Online Application Tool.

- **Solutions Directory**
- **Statewide Customized Calculated Savings Guidelines**
- **Standards for Custom Project Development**
- **Preferred Calculation Tools Version 17.0**
- **Early Retirement Guidance Document**
- **Calculated Project Early Retirement Consideration Checklist**
- **Early Screening Document**
- **Project Feasibility Study**
- **Influence Job Aid**
Cost Effectiveness

The goal of an Energy Efficiency program is to deliver the greatest energy savings (kWh) and demand reductions (kW) possible, while maintaining a high total resource cost (TRC).

- Total Resource Cost (TRC) Test measures the net cost of an energy conservation program, viewing the program as a utility resource. Both utility and participant costs are included. A TRC Test reflects the impacts of a program on both participating and non-participating customers.

- In a sense, it is the summation of the benefit and cost terms in the Participant and RIM (rate-payer impact measure) tests, where revenue/bill costs and incentives intuitively cancel out. The test provides a measure of the cost-effectiveness of a utility-sponsored energy efficiency program, per the California Standard Practice Manual.

- There are two ways to increase the TRC of a program.
  1. Increase the total savings delivered by the program
  2. Reduce the cost of implementing the program

- Total Resource Cost (TRC)
  \[
  TRC = \frac{\text{Avoided Costs}}{\text{Incurred Costs}} \approx \frac{\text{Of}^{\text{+}} \text{^kWh saved and kW reduced}}{\text{EE Program Costs} + \text{Measure Costs}}
  \]
Energy Efficiency measures may be sunset (removed) for several reasons:

- Low TRC (Total Resource Cost)
- ISP (industry standard practice)
  Determined by:
  - Engineering study
- Code (building, appliance, etc.)
  - Title 24
  - Title 20
  - Federal
- CPUC (CA Public Utilities Commission)
  - Disposition
  - Resolution
  - Guidance
  - Decision

Energy for What's Ahead™