Notes from Public Sector Subcommittee Meeting #2 – Stage 2

May 2, 2016; 10:30 a.m. – 3:30 p.m.

Two In-Person Locations:

* Energy Innovation Center, 4760 Clairemont Mesa Blvd, San Diego [SDG&E]
* Pacific Energy Center, 851 Howard St, San Francisco [PG&E]

Meeting Co-Chairs: Courtney Kalashian and Craig Perkins

Facilitator: Meghan Dewey

Notes: Sarah Farell, San Joaquin Clean Energy Organization

*Notes: Presentations are not summarized in these notes. Please see presentation slides on* [*www.CAEECC.org*](http://www.CAEECC.org) *website for context. Lack of attribution for meeting participant comments is intentional by agreement of Coordinating Committee.*

Welcome and Background – Brandi Turner, Meghan Dewey, Courtney Kalashian, Craig Perkins

Coordinating Committee members and Meeting Co-Chairs welcomed the group; introductions at the in-person locations were made and meeting and building logistics were reviewed.

Courtney Kalashian and Craig Perkins noted that Stage 1 put forth market assessments and gap analysis and that the group would not be diving into this again for the Stage 2 meeting. This Stage 2 meeting is to identify solutions that will help rectify problems and propose metrics. These meetings are still operating at a high level and the group should refrain from thinking about implementation.

The Public Sector group has agreed on the segmentation of Local, State, Federal, and Education in the public sector.

The meeting group was given a follow-along document to help guide input. Program Administrators (PAs) should use the document to guide how they are viewing the meeting and non-PAs should determine how they can jump into the process. Comments are important! And they are incorporated into business plans. These comments should go to the meeting facilitators to be filtered to the PAs on the CAEECC website; a tracker for these comments exists online.

Session 1: PG&E – presented by Leif Christiansen and Jessica Waggoner

*See slides.*

Slide 4 – Note that program offerings must reflect diverse customer profiles; there is a big difference between serving large research labs and small commercial halls. Data limitations and state policies also play into types of programs offered. PG&E will rely on partnership models; they’ve been effective in addressing needs with cost-effective programs. Transparency and the public good is important to the Public Sector and this is taken into consideration for the development of the business plan.

Slide 6 – Note that the denominator is the number of submeters in each segments and the participants show the number of submeters that have seen savings.

Slide 7 – Note that this approach orients around meeting customers where they are in their EE journey and acknowledging diverse needs and expectations.

Slide 8 – Customers start with turnkey offerings and over time, gain complexity. Some of these programs and offerings can become complicated and confusing and there is a need to seek out opportunities to streamline and simplify programs.

Slide 9 – OBF and other complimentary programs will be revisited and public sector customers may warrant different treatment of metrics.

PAs encouraged the group the read the rest of the Business Plan in detail.

**Question:** Why is State Government so low in bar graphs (slide 6)? And are there plans for targeting State Government since AB802 will focus on that?

**Response:** PG&E has been good with prisons, but needs to be better across the board. Rehab and corrections are the biggest users. There are fewer opportunities otherwise due to small agencies and departments scattered throughout service territory. Strategies for schools and local governments may transfer well to state and federal government; PG&E is looking for holistic approaches for all types of facilities.

Session 1 Continued: Bay Area REN – presented by Jerry Lahr

*See slides.*

Bay Area REN Intro:

1. There is no Pubic Sector focus or program, but the REN is engaging (mostly in Codes & Standards) and the Public Sector is important. This involvement is a work in progress; not yet in Stage 1, but moving forward.

Slide 3 – 3.8% is really 3.4%. Given the challenges, there is a lot of potential and easy ways to save money and be energy and cost conscious.

Slide 4 – Bay REN is focusing on Goals 1 and 2 in Codes & Standards. Bay REN is not directly involved in Goals 3 and 4 yet; will determine if and how Bay REN will work with local government to implement such programs.

Slide 8 – Required to be transparent because the organization is reaching out to the public and engaging stakeholders; programs must be designed to reach and be beneficial for the customers.

Slide 14 – Note that we must meet agencies where they are; local governments may not need all aspects of assistance.

No questions.

Session 1 Continued: SCE – presented by Kim Rodriguez

*See slides.*

Slide 4 – Note that programs may not be one size fits all due to large diversity in sector.

Slide 7 – Must provide the right solutions to the right customer at the right cost to meet needs with innovation in a cost-effective way.

Slide 17 – Noted that the city council approval process can be long and arduous.

Slide 23 – Note that approximately 80% of buildings are master metered.

**Question:** There is a challenge in identifying individual projects since there is no long-term Strategic Plan for campuses.

**Response:** May be expanded (conversation to be continued between parties later).

Session 2: SCG – presented by Frank Spasaro

*See slides.*

SCG Intro:

1. SCG submitted a Word document for Stage 2. Please check it out!
2. Must highlight the diversity of this segment as well as acknowledge the lack of resources. This is a new sector definition, but the customers in it haven’t been ignored.
3. Previously, Public Sector data and information has been buried in Commercial.

Slide 5 – SCG went back and redid data analytics after seeing other Stage 1 presentations. Stakeholders should use Stage 2 data for SCG gap analysis; data is more accurate in current document because the number of accounts used in analysis have more than doubled (looking at 13,500 accounts now).

Slide 6 – Note that CoGen load is a significant driver for future barriers with known policy limitations.

Slide 7 – Savings in water heating, HVAC and pools is a huge opportunity to address the water energy nexus.

Slide 8 – Note that HVAC and domestic hot water are big drivers for Higher Ed participation.

Slide 10 – Need to rely on how commercial sector will solve problem statement #1. Complexity, funding gaps, low participation, old buildings all prove to be challenges.

Slide 11 – Note that consistency of funding over time is an important goal; must deal with consistency of funding rather than actual funding dollar amounts. Also note that there has been no update to the Strategic Plan (update on hold) and this is a problem statement in and of itself.

Slide 12 – Lack of Direct Install program has been a gap in SCG for a long time, but it is a good opportunity once some challenges with language are ironed out.

Slide 13 – Note that we need to see Revolving Loan Funds rejuvenating themselves instead of going into the general fund and getting lost. Also note there is a challenge with OBF’s $5000 amount due to new lending laws.

Slide 19 – The RENs should be included in Partners.

Slide 20 – Public Sector is all hard to reach because there are challenges to determining what to do. We need consistent programs across all IOUs and RENs, but there is a big challenge to having this consistency *and* a local touch.

No questions.

Session 2 Continued: SDG&E – presented by Michelle Costello and Brian Haines

*See slides.*

SDG&E Intro:

1. SDG&E posted a Word document and PowerPoint for Stage 2. Reference numbers in PowerPoint refer to pages in Word document.

Slide 5 – Note that Military is mostly master metered. Also note that they completed many EE projects and decreased consumption by 40% prior to 2013.

Slide 7 – (reference pg7) Regarding different program types: one size does not fit all.

Slide 9 – SDG&E’s local knowledge of grid will be leveraged into innovation strategies. SDG&E must also consider unique makeup of county to approach program development.

Slide 10 – (reference pg10) SDG&E looked at all problem statements and created strategies to address multiple statements at a time.

Slide 20 – Technical/Project Management Assistance is being further developed; need to find ways to leverage best practices to help the Public Sector as a whole.

No questions.

Session 2 Continued: SoCalREN – presented by Craig Perkins

*See slides.*

Slide 3 – Don’t worship the problems, just come up with solutions!

Slide 4 – Currently in a transition period; need to be able to connect the dots for future planning.

Slide 5 – Need to have some form of hand-holding and create longer term savings start to finish.

Slide 6 – Need all pieces to be in place in order to make decisions; proposals and decisions are critical points in the whole program delivery process.

Slide 7 – Potential for percentage of market engaged will be much greater a year from now than we think.

No questions.

Session 3: Stakeholder Presentation by Cody Coeckelenbergh

*See slides.*

* Large market potential because 20% energy use and 30% gas use is for water treating, water conveying, etc.
* Overall potential is $1.7 Billion in savings, and 200MW from EE.
* When looking at water systems, greater opportunities and savings come from smaller projects like EE
* Biggest barrier is tech expertise and not enough staff allocated to these types of projects.

No questions.

Stakeholder Question and Answer Discussion Period

**Question:** There were many mentions of strategies to use data for improved and informed decision-making, but where are these strategies outlined in the business plans? Where are the strategies that address or reduce the issues of program timing, uncertainty of funding and long approval processes.

**Response:**

* Similar issues have surfaced in other sectors like Multifamily. Incentives had to changed to align with savings; we should see that both are locked in. There are call-out boxes for policy observations in business plans.
* More details than those in presentations have also been outlined in reports uploaded on Friday, April 29.
* Data looks different for each segment. For example, if working with investor competence project models, the right data must be provided to make the right investments and insert a level of consistency within the bounds of rule and privacy. The IOUs present data to the public sector customer that’s most relevant to them. A suggestion was made to focus on metrics more relevant to Public Sector (i.e. GHG reductions, most common metric agencies align on).
* PAs want to partner with agencies and local governments to find out which metrics are most relevant to them, including building-level goals and community-level needs.
* SCE’s Green Button Connect my data is good for the public sector to obtain data. Third parties can chop up this data any way they want. This went live in February. Challenges with access to financing will be integrated into the SCE business plan.
* There should be a great willingness to use financing and this should be a trigger for PAs to provide more incentives and more incentives for comprehensive projects. Agencies should take on debt to do comprehensive projects because of the value these projects provide to the system.

**Question:** Can we give every local government or local government partnership an EE expert or pool together resources to get someone for each region?

**Response:**

* This is always something the PAs are interested in, but it depends on the scope of this job. Is it limited to a technical piece? Funding this for everyone would be highly challenging.
* This is a broader problem than just a lack of staff in local governments. There are some school districts with no facility staff. This issue is rampant across the Public Sector. There’s certainly a need and strategies should be developed.
* SoCal region has lots of collaboration and provision of technical expertise for projects and the SoCalREN may push this as a pilot in the region by collaborating with IOUs and driving customers to IOU programs.
* A lot of third party programs provide technical support. Need to determine how this support lines up with measurable savings.
* Going into Stages 3 and 4, PAs need to support observations and reasons for coming up with the presented solutions with data. This will help any issues with confusion over metrics for business versus implementation plans. Need these metrics to be compared to the baseline and connected back to Coordinating Committee discussions.
* SCE requires local government partners to have an energy champion on staff to be in the partnerships. These people are trained but are not in-house resources for EE. Trainings are provided at Energy Innovation Centers (EICs) and have tech support for those with out energy champions.

**Question:** Taking on reach codes is beneficial to get communities talking about EE. Are most reach codes done through voluntary compliance or mandatory? What is the benefit between the two? How frequently are they implemented to the full extent in capacity building versus increased EE?

**Response:**

* More reach codes on existing buildings. Public entities have issues not with financing but with debt caps or limits.
* Different opinions about debt financing exist. Need to determine how to fill the gap between start and end of construction and getting paid. Revolving loan funds could fill this gap. Local governments on OBF are convinced to take this loan.
* SCE sees reach codes primarily through voluntary compliance because of Title 24.
* The Cross-Cutting: Codes and Standards meeting on May 4th will touch on this. Timing aspect with reach codes could be a problem statement. Agencies are willing to propose reach codes in anticipation of next code release; conversations about this should continue.

Wrap Up and Next Steps

* Written feedback is due May 25th. Coordinating Committee is tracking questions/comments and responses.
* Next Public Sector meeting in July will be very conversational.
* Meeting attendees encouraged to provide input on meeting follow along forms and submit any additional questions or feedback via email or the CAEECC website.