

Multifamily Market Overview



**CA ENERGY EFFICIENCY COORDINATING COMMITTEE
STAGE 2 | MULTIFAMILY SUB-SECTOR SESSION**

**APRIL 18, 2016
PG&E PACIFIC ENERGY CENTER
SAN FRANCISCO, CA**

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Statewide Multifamily Market



- **3.1 million units**¹
- **23% of all CA housing units**¹
- **13% of all national 5+ units**¹
- **Metropolitan: 90% of MF buildings are located in or around LA, SD, OC, SFBA**²
- **Aging: More than 70% before energy codes (1978)**²



Sources:

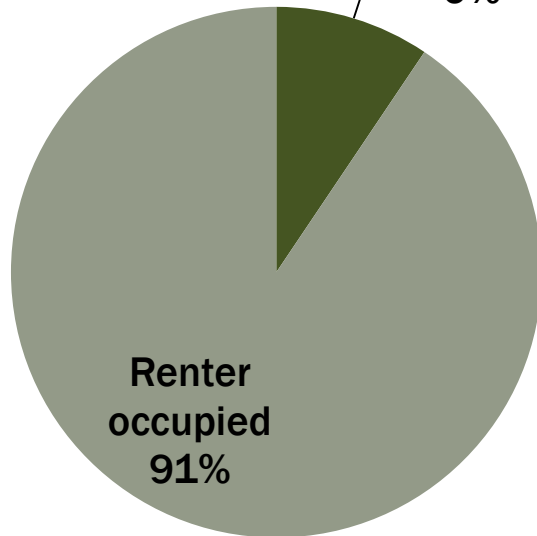
1- 2014 American Community Survey (ACS)

2-CA Existing Building Energy Efficiency Action Plan (EBEEAP)

Ownership & Affordability

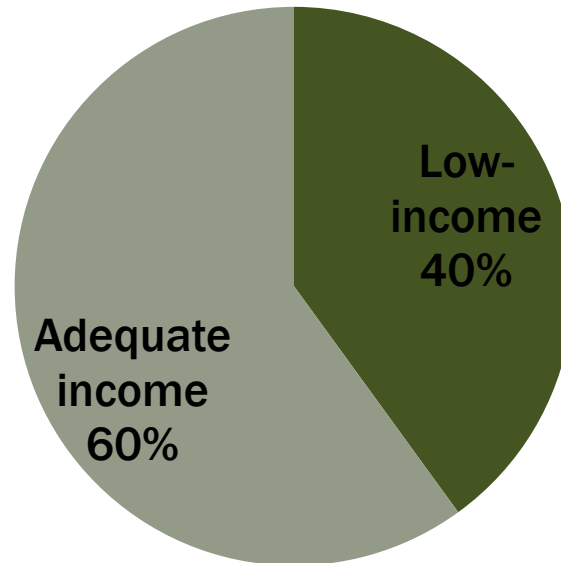


Tenure
Owner occupied
9%



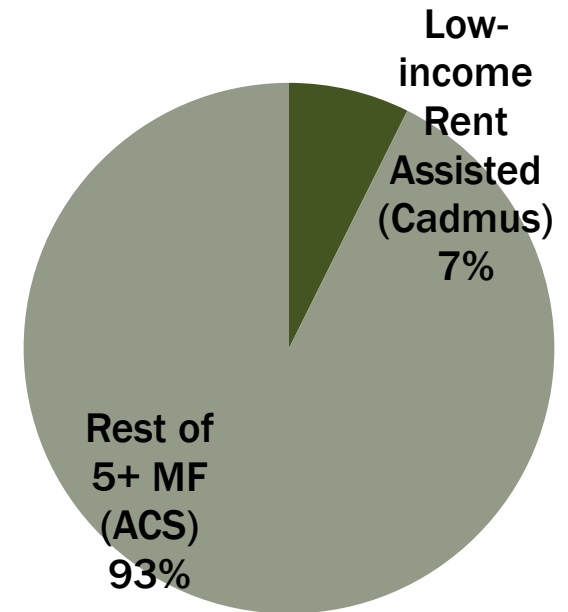
Source: ACS

Low-Income Population



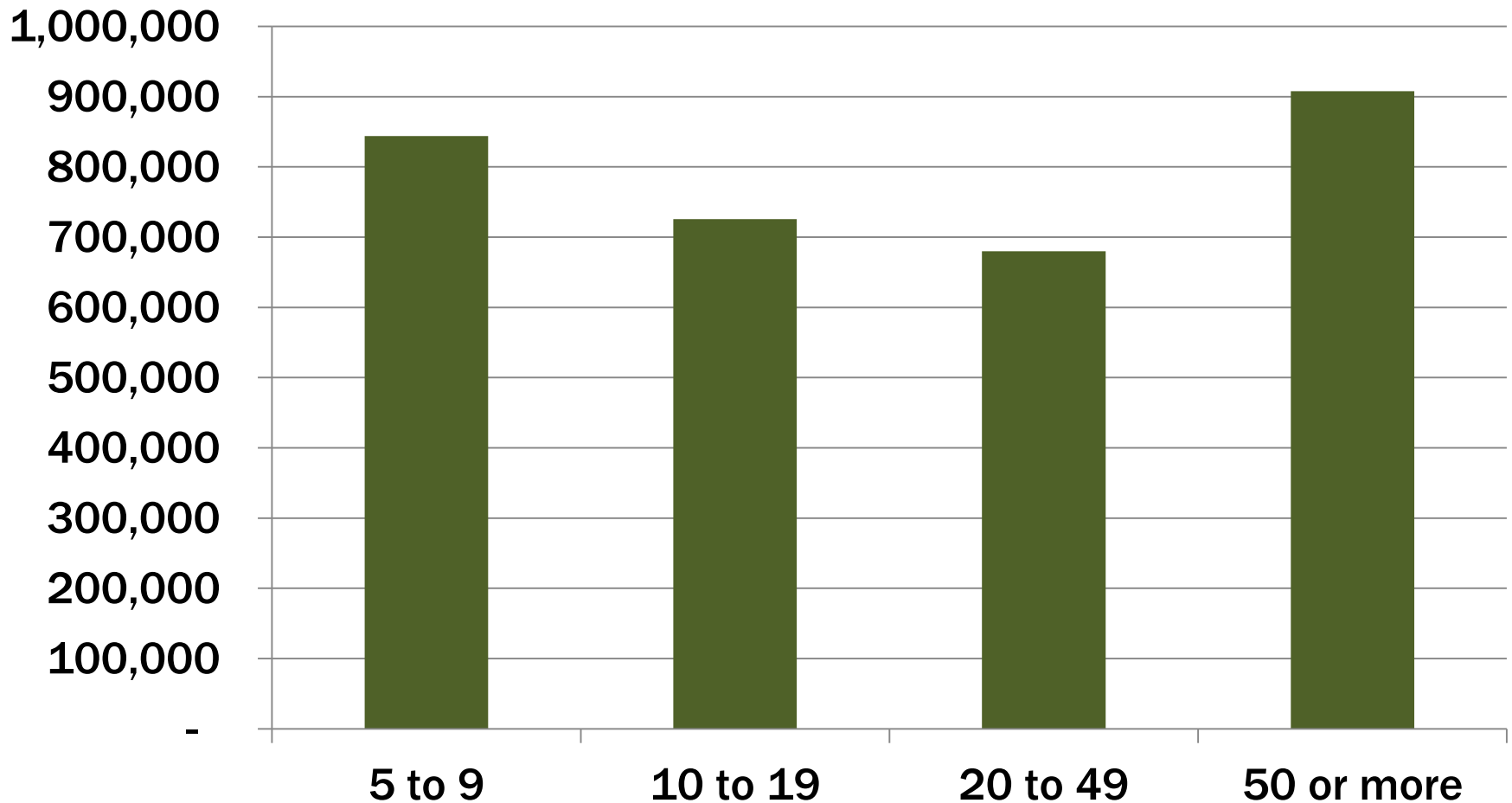
Source: EBEEAP, ESA
Study (Cadmus)

Rent Assistance



Sources: ESA Study
(Cadmus) & ACS

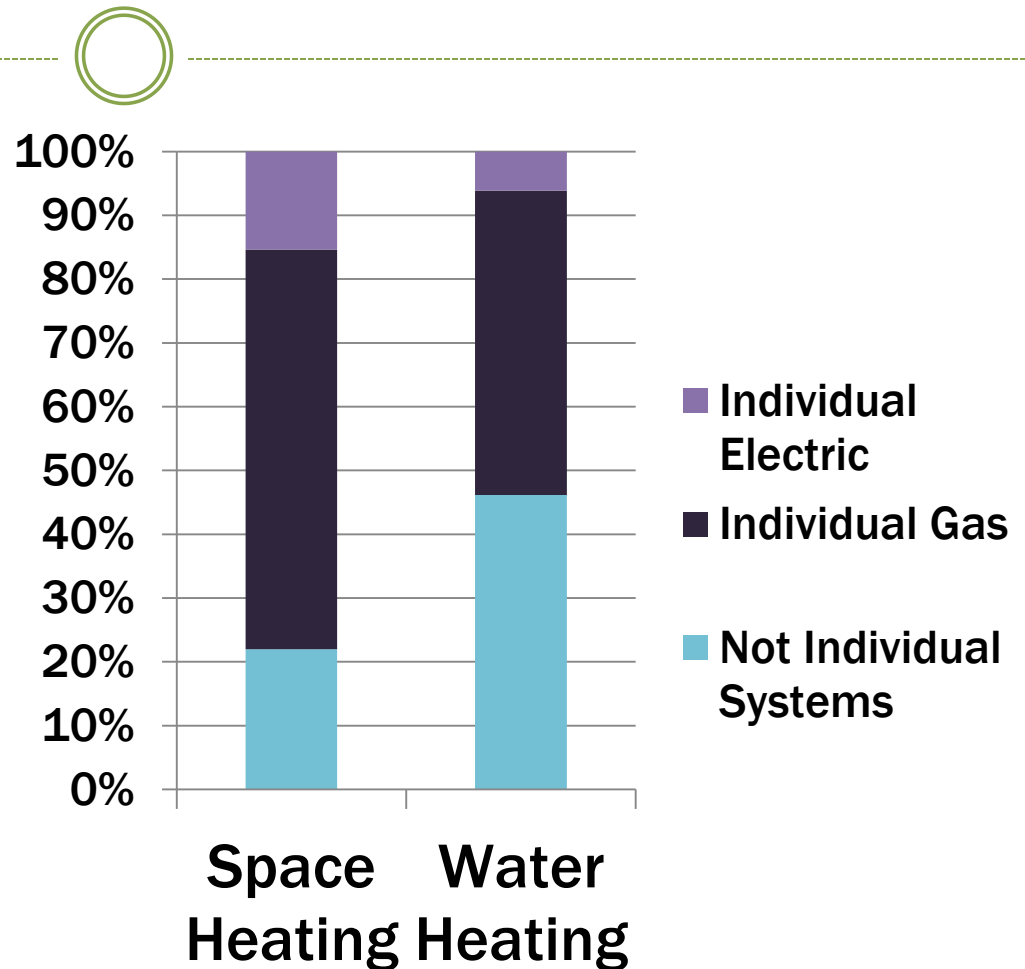
Distribution of Units by Building Size



Source: 2014 ACS

Energy Use Profile

- **Major end uses:**
72% of total site energy is water heating and distribution (39%), space heating (22%) and lighting
- **Savings potential:**
30% improvement saving \$9B nationally



Source: CA Existing Building Energy Efficiency Action Plan (EBEEAP)

Source: 2010 California Residential Appliance Saturation Survey

ACEEE Recommendations



1. **Segment** the market
 - Market-rate, affordable, condos, student housing, etc.
2. Provide a **one-stop shop** for program services
3. Integrate direct installation and larger rebate programs
4. Provide **financing** options
5. **Streamline** rebates for owners—include incentives for residents
6. **Coordinate** among electric, natural gas, water utilities

ACEEE Recommendations



7. Encourage deeper retrofits by **escalating incentives** to achieve higher savings
8. Combine utility incentives with public funding available at time of **affordable housing refinance**
9. Partner with local MF housing industry to **market programs directly** to building owners and managers
10. Offer **multiple pathways** for participation to reach and serve more buildings

MF HERCC 2013-2015 Lessons Learned



Solution	Problem Addressed
Streamline program participation process Customer engagement, delivery model, program coordination, H&S/QA, contractor qualifications	Excessive paperwork, requirements, and piece-meal programs deter participants QA requirements perceived as onerous MF CAS is expensive, lacking protocols
Refine incentive structures Simple and flexible Streamlined energy modeling	High up-front energy audit costs Owners need incentive \$ before investing in project design

MF HERCC 2013-2015 Lessons Learned



Solution	Problem Addressed
Increase marketing effectiveness Green labeling & disclosure Targeted marketing & outreach Cohort/portfolio approach	Lack of market recognition of value of energy efficiency Sector diversity requires targeted & tailored marketing & messaging Industry needs to see peer examples
Increase operational savings Property management training Monitoring, retro-commissioning	Operational savings left behind Long-term relationships hindered by lack of engagement in ongoing operations
Increase accessibility of whole building energy data	Upgrade recommendations made in absence of energy usage data Energy modeling not calibrated Actual energy savings not monitored

MF HERCC 2013-2015 Lessons Learned



Solution	Problem Addressed
Improve electric vehicle charging infrastructure	Missed opportunity to leverage property owner engagement to cross-promote multiple benefits
Promote water efficiency upgrades Co-promote high-impact water measures PAYS®/Water Bill Savings Program	Missed opportunity to use of other interests to promote energy efficiency

Multifamily Policy Context



- **AB 802 Data & Disclosure**
- **AB 758 Existing Buildings EE Action Plan (EBEEAP)**
- **AB 327 CARE rates**
- **AB 693 Multifamily Affordable Solar Housing**
- **CPUC proceedings with MF specific issues**
 - Distributed Generation
 - Net Energy Metering
 - CARE/ESA

Thank You



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