

Comments on Bay Area Regional Energy Network's Draft Business Plan

Submitted by: Center for Sustainable Energy

RULEMAKING R.13-11-005, Order Instituting Rulemaking Concerning Energy Efficiency Rolling Portfolios, Policies, Programs, Evaluation, and Related Issues.

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I. Introduction

As a mission-driven nonprofit organization, the Center for Sustainable Energy works with policymakers, regulators, public agencies and business as an expert implementation partner and trusted information resource. We help drive the adoption of clean, sustainable energy solutions.



Energy Programs

CSE designs and implements market development programs and provides policy guidance on future investments.



Public Sector Services

CSE provides sustainable energy planning assistance for local/ regional/ national governments, agencies and organizations.



Workforce Training

CSE provides community education, professional training on energy codes, standards and best practices.

II. Commercial Sector

Overarching Commercial Sector Feedback:

- While the commercial sector includes large, medium, and small commercial buildings, CSE encourages all PAs to empower building owners, of all sizes, to more effectively manage the energy of their buildings. CSE feels there are complementary roles to play among the PAs serving owners in the same territory, specific to building size and customized tools for a specific building subset (e.g., if BayREN and MCE are to focus on the smaller buildings, then how can PG&E's offerings support medium and larger buildings).
 - In particular, large commercial building owners (and large portfolio owners) are already quite sophisticated when it comes to energy management, so the focus becomes how to continue to engage with them effectively to: 1) get persistent savings; and 2) share their stories of success with medium and small business owners.
- As much as PAs are equipped to do so, and CSE would argue that PAs are uniquely equipped (the IOUs in particular), business plans should align with the market as it relates to energy efficiency in the commercial sector. The commercial sector craves standardization and continuity. As such, the business plans play an integral role in laying the groundwork for and enabling continued participation by the commercial sector in improving energy efficiency in their buildings.
 - CSE encourages all of the PAs to engage CRE stakeholders (BOMA, IREM, USGBC) more regularly and uniformly, so as to better understand the needs and opportunities of the commercial sector in improving building performance.
- While numerous business plans touched on AB 802 specific to efficiency standards, few plans elevated the importance of and opportunity in the state's [new benchmarking program](#).
 - The forthcoming statewide benchmarking program has an unprecedented opportunity to weave together building-level information with business plan goals for the commercial and multifamily sectors.
 - The IOUs should create online benchmarking portals allowing them to provide and collect building information; an even more robust data set can be accessed when using Portfolio Manager Web Services as utilities can pull building profile information back from Portfolio Manager submissions.
 - The implementation of the new benchmarking program will require commercial and multifamily buildings (larger than 50,000 sq. ft. according to current draft regulations) to benchmark their buildings. This act, to happen annually, will foster an already growing industry practice to track building performance. Business plans can best serve the commercial sector by not duplicating program offerings, but rather making sure key services (i.e., audits) can be accessed statewide.

- While there will be statewide programs for the commercial sector specific to HVAC (up/midstream) and Savings by Design, CSE strongly encourages PAs and the Commission to consider additional statewide coordination in working with commercial buildings. CSE feels that PG&E included several excellent ideas for engaging commercial owners [e.g., complementing energy audits with project development assistance and partnering with large customers to develop long-term strategic energy management plans. (Pg. 26)], and CSE would like to see those offerings implemented throughout the state. CSE is disappointed that PAs did not choose downstream pilots, such as the Commercial Energy Advisor, as suggested in D.16-08-019.
- CSE was encouraged that several business plans incorporated ideas for elevating the tie between energy efficiency in buildings and grid reliability. In particular, SCE wrote about its IDSM Grid Reliability Rapid Response Pilot, where “this pilot will supply a rapid response set of EE, DR, Solar, and IDSM solutions to help alleviate grid restraints” (Pg. 24). Given the recently published Phase III scoping memo and mention of “locational targeting or sourcing of energy efficiency”, it certainly seems that business plans looking to incorporate and emphasize this strategy are correctly anticipating the strength of these pilots and the potential for scalability.

Specific Comments:

1. CSE encourages PG&E, MCE, and BayREN to provide more information on how the three PAs can best work together to serve the commercial sector in northern California.
2. **Pg. 3.2**, BayREN writes that it plans to focus on hard-to-reach sites using specific characteristics (i.e., under 200 kW demand, ESL building owner, leased space, building size under 50,000 sq. ft.).
 - Does BayREN already have a data set with this information? If not, how does BayREN plan to access and build a data set allowing them to target building owners based on the characteristics listed above?
3. **Pg. 3.2**, “The SMCB Performance Advisor is modeled after BayREN’s successful residential Home Energy Advisor, and will be a “one-stop-shop” of expert technical assistance, training, and customer and contractor engagement by providing one-time and/or ongoing assistance to enable a wide range of savings opportunities and activities, including linking to utility rebate, incentive, and financing programs. The Performance Advisor will allow the BayREN to offer a range of advisory services to busy small and medium businesses and property owners going beyond energy, including water conservation, distributed energy resources (e.g., demand response, electrical vehicle charging, energy storage), integrated financing, and other implementation support to help SMCB stakeholders participate in a range of clean energy solutions.”

- Will customers in the PG&E territory be expected to choose between BayREN's offerings and PG&E's?
 - Will buildings be given a unique building identifier in working with BayREN so they can be tracked through BayREN?
4. **Pg. 3.3**, "Besides high-interest credit cards, currently there are no lending instruments available for such small loan amounts, especially for the purpose of funding energy efficiency projects".
- CSE asks that BayREN substantiate this claim with a table of available funding and why it may not be a good fit for small loan amounts.
5. **Pg. 3.3**, "A tremendous amount of public and private investment has already been made to establish PACE programs throughout the state, yet for commercial property owners, much of the potential has yet to realized".
- CSE asks that BayREN provide specific metrics on the PACE market for commercial properties and how they plan to measure PACE uptake for commercial properties.
6. **Pg. 3.4**, BayREN cites TURN's 2015 IDSM comments about bundled efficiency, where "bundled efficiency" is site-specific, persistent, correlates well to circuit and substation loads, and is measureable at the meter".
- If possible, CSE would like BayREN to provide additional thinking on their reasoning to include the passage from TURN. CSE is intrigued by the idea of bundled efficiency and supports BayREN for wanting to include this idea in their vision for the commercial sector. As was noted by Cathy Fogel and others at the November 2, 2016 CAEECC meeting, there is an imperative to think about these business plans in the greater policy context of SB 350, AB 802, and the CPUC's IDER proceeding.

III. Residential Sector

CSE does not have comments to provide on the BayREN Residential Sector chapter.

IV. Codes and Standards Sector

CSE does not have comments to provide on the BayREN C&S Sector chapter.

V. Finance Sector

Overarching Finance Sector Feedback:

1. CSE wants to underscore the importance of a concierge or coach when it comes to financing. Regardless of the quantity of financial product offerings, if there are not consistent resources or points of contact to help customers learn about and understand how different financial offerings are best suited for their needs, then uptake of energy efficiency financing (regardless of quality) may suffer.
2. CSE encourages all PAs to include more information on how they will plan to integrate financing into their portfolios broadly and on how they intend to allocate money to better fund marketing, education, and outreach. Furthermore, CSE encourages all PAs to pair with that information regarding how energy savings associated with financing can be tracked and claimed toward goals.
3. CSE wonders why there is no mention of leveraging Go Green Financing resources. Moreover, CSE finds it problematic that there is no mention of the REEL Financing Program or integrating a financing message into overall program design. Market research has shown that financing cannot be successfully promoted as a stand alone effort; rather, it must be part of the consumer engagement strategy for energy efficiency program participation. States that have had successful uptake in financing have had an interwoven strategy promoting energy efficiency concept benefits with incentives and financing solutions in a way that customers could best achieve their objectives for accessing energy efficiency improvements.

VI. Emerging Technology Sector

BayREN did not provide an Emerging Technology Sector section to review.

VII. Public Sector

- There is not enough detail in any of the business plans about how to tackle the hurdle of master meters and submeters or how aggregated data will be able to be broken out for analysis. To effectively benchmark a property today, Portfolio Manager requires the input of monthly, whole-building data. The majority of public sector customers do not have building-specific meters, but rather, they have a master meter with submeters. This meter set-up does not give facility managers a clear picture of where energy intensity is highest. For example, a city property may be metered with the street lights around it. As such, it can be very difficult for these public sector customers to determine where energy efficiency measures would be most useful. To address this situation, PAs can offer intensive Portfolio Manager training as well as offer onsite experts at complex public sector sites. Furthermore, PAs can help public sector customers understand their options for other meter configurations or data analytics.
- All IOUs include the need for more robust energy management systems for the public sector in their business plans. While public sector properties would certainly benefit from access to energy management software and its analysis, there also needs to be a process in place for creating an institutional culture around energy management. The strategy to offer more energy management tools to public sector customers should be thoughtfully considered so as not to have possible stranded benefits in the years to come.

VIII. Workforce Education and Training Sector

Overarching WE&T Sector Feedback:

- While PG&E is the assigned statewide program administrator for WE&T specific to K-12 Connections and Career and Workforce Readiness, local WE&T efforts, as proposed in other plans, do not focus on similar elements for outreach and engagement, making it very difficult to compare and understand how the different WE&T offerings in IOU territories will complement one another.

Specific Comments:

1. CSE thinks BayRen offers some good points about the need to help contractors with sales, particularly as the market shifts to a whole-building approach. CSE would note that the BayREN plan could use more information on the ways in which BayREN will use past experience to inform robust WE&T programming.
2. **Pg. 2.17-2.18**, “The BayREN offers a Core Contractor Training program and specific online training to educate contractors about the particulars of the BayREN program. Moving forward, training resources may expand or leverage existing Workforce, Education and Training (“WE&T”) offerings related to building a business, sales training, and other similar offerings that will help contractors become more successful and profitable. This will include increased Home Energy Advisor support to contractors and additional technical trainings to expand the skills of the workforce, and to help reach deeper energy savings home performance.”
 - CSE would ask that BayREN provide more detail about the specific needs it has found. What specific things will BayREN do to ensure contractors take advantage of any new additional support and training in light of busy contractor schedules?
3. BayREN outlines a clear vision of how it sees the contractor landscape evolving and the needs to support it, but the actual intervention tactics are missing. Where are the details of how this will get done, and what will be most successful given past experience, studies, etc.?



As a mission-driven nonprofit organization, CSE works with energy policymakers, regulators, public agencies and businesses as an expert implementation partner and trusted information resource. Together, we are the catalysts for sustainable energy market development and transformation.

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