

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
And Related Matters.	Application 17-01-014 Application 17-01-015 Application 17-01-016 Application 17-01-017 (Consolidated)

RESPONSE OF THE ASSOCIATION OF BAY AREA GOVERNMENTS, ON BEHALF OF THE SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK (CPUC # 940) TO ATTACHMENT A OF THE MAY 10, 2017 ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON ENERGY EFFICIENCY BUSINESS PLAN METRICS

GERALD LAHR
Energy Programs Manager
Association of Bay Area Governments
375 Beale Street
7th Floor
San Francisco, California 94105
Telephone: (415) 820-7908
E-mail: JerryL@abag.ca.gov

May 22, 2017

BEFORE THE PUBLIC UTILITIES COMMISSION
OF THE STATE OF CALIFORNIA

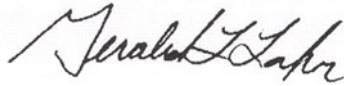
Application of Southern California Edison Company (U338E) for Approval of Energy Efficiency Rolling Portfolio Business Plan.	Application 17-01-013 (Filed January 17, 2017)
<hr/> And Related Matters.	Application 17-01-014 Application 17-01-015 Application 17-01-016 Application 17-01-017 (Consolidated)

RESPONSE OF THE ASSOCIATION OF BAY AREA GOVERNMENTS, ON BEHALF OF THE SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK (CPUC # 940) TO ATTACHMENT A OF THE MAY 10, 2017 ADMINISTRATIVE LAW JUDGE’S RULING SEEKING COMMENT ON ENERGY EFFICIENCY BUSINESS PLAN METRICS

Pursuant to the May 10, 2017 Scoping Memo and Ruling of the Assigned Commissioner and Administrative Law Judges (Scoping Memo), the Association of Bay Area Governments (ABAG), on behalf of the San Francisco Bay Area Regional Energy Network (BayREN), respectfully submits responses to the questions posed in the ALJ’s Ruling seeking comment on the Business Plan metrics. BayREN provides responses to the questions presented in Attachment A – Questions for Business Plans Proponents. In addition to the questions applicable to the BayREN in section III, responses are also provided to the questions presented in Section I, Questions applicable to all “prospective” Program Administrators.

BayREN's responses to the relevant questions in Attachment A of the May 10, 2017 Scoping Memo are attached.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Gerald Lahr". The signature is fluid and cursive, with the first name "Gerald" and last name "Lahr" clearly distinguishable.

Gerald Lahr
Energy Programs Manager
Association of Bay Area Governments
375 Beale Street
7th Floor
San Francisco, California 94105
Telephone: (415) 820-7908
E-mail: JerryL@abag.ca.gov

Dated: May 22, 2017

RESPONSE OF THE ASSOCIATION OF BAY AREA GOVERNMENTS, ON BEHALF OF THE SAN FRANCISCO BAY AREA REGIONAL ENERGY NETWORK (CPUC # 940) TO ATTACHMENT A OF THE MAY 10, 2017 ADMINISTRATIVE LAW JUDGE'S RULING SEEKING COMMENT ON ENERGY EFFICIENCY BUSINESS PLAN METRICS

1. Questions applicable to all prospective Program Administrators (PAs)

- a. Demonstrate in a quantitative way, via table or graphic, how the proposed metrics cumulatively are useful and effective indicators of each PA's likely achievement of targeted energy efficiency program uptake and overall savings goals.**

The table below includes content from the original BayREN Business Plan and our May 15, 2017 Responses to the April 14, 2017 Scoping Memo and Ruling of Assigned Commissioner and Administrative Law Judges. In general, BayREN supports the Commission's approach that Sector level metrics, consistent tracking, and progress assessment for the Sector as a whole, enables comparison across and within Sectors, and enables tracking of high-level portfolio progress. BayREN also supports tracking of the metrics determined by the Program Administrators in their Business Plan filings. Indeed, BayREN proposed Sector Level Business Plan metrics based upon current and anticipated program designs and market effects that it believes are valuable to gauging the success of its programs. Metrics should not be developed as a one-size-fits all, but rather should be an appropriate way to measure the success of a particular program as proposed by the Program Administrator.

BayREN will use these metrics to assess on a regular basis how well the interventions are working; if the program is responding to market demands; and if refinements to BayREN's offerings are warranted. This approach and ongoing measurement is consistent for each metric area.

Problem	Intervention Strategies	Market Effect Metrics (1/23/2017 Business Plan)	Key Metric (5/15/2017 Scoping Memo)	Cumulative BayREN Targets 2018-2025
RESIDENTIAL: SINGLE FAMILY				
Residential single family home owners, and specifically moderate income home owners, lack access to programs and services that will facilitate the depth and scale of upgrades necessary to meet California's energy efficiency goals.	S1. Provide Wrap- Around Services and Support	Increase average annual participation (new and repeat participants)	Participating Single Family Households	112,000+ Single Family home participating in EE programs
	S2. Drive Adoption & Performance with Properly Aligned Incentives	Expand average annual program energy savings	Net Savings Targets for GWh, MW, MMtherms	Cumulative first year savings of 18.74 GWh, 15.2 MW, 4.3 MMtherms
	S3. Test and Demonstrate Innovative Energy Efficiency Deployment Methods	Increase number of residents engaged with a single coordinated effort	# of Districts/Portfolios	6 Districts/ Neighborhoods engaged in large scale EE program participation
		Increase value of EE existing homes at time-of-sale	Cumulative % Increase in # of Labeled Single Family Properties	20% increase in number of labeled Single Family properties with quantified value at time of sale
	Together, Residential Single Family metrics will measure the success of proposed strategies and tactics to engage previously under-served moderate-income homeowners with a more robust, affordable, and accessible whole house option. This will target 23% of Bay Area moderate income homes with deep energy savings overtime at increased scale, while providing homeowners with green labeling options that demonstrate the value of completed upgrades to the larger real-estate market.			
RESIDENTIAL: MULTIFAMILY				
The Residential multifamily building stock includes individually and master metered utility accounts, individual and central systems, and multiple common area and in-unit end uses, which requires customized and flexible program offerings targeted to property owners and managers that harness multiple market drivers in order to achieve comprehensive and deep energy retrofits.	S1. Provide Wrap- Around Services and Support.	Number of units touched by program services	Participating Multifamily Units	60,500 Multifamily units participating in EE programs or influence by local government policies
	S2. Drive Adoption & Performance with Properly Aligned Incentives	Energy Savings	Net Savings Targets for GWh, MW, MMtherms	Cumulative first year savings of 8.02 GWh, 0.80 MW, 0.80 MMtherms
	S3. Test and Demonstrate Innovative Energy Efficiency Deployment Methods	Increase value of EE existing multifamily properties at time-of-sale or lease	Cumulative % Increase in # of Labeled Multifamily Properties	20% increase in number of labeled Multifamily properties or units with quantified value at time of sale or lease
	Together, Residential Multifamily metrics will measure the success of proposed strategies and tactics to demonstrate the viability of energy upgrades to MF property owners and managers and increasingly leverage diverse market drivers, including labeling in future phases, to deliver energy savings in the hard-to-reach MF market and provide tenants with improved conditions and access to energy efficiency.			

Problem	Intervention Strategies	Market Effect Metrics (1/23/2017 Business Plan)	Key Metric (5/15/2017 Scoping Memo)	Cumulative BayREN Targets 2018-2025
COMMERCIAL				
SMCB customers are diverse and difficult to engage and lack the capacity and capital resources to engage in comprehensive energy efficiency program and solutions, causing low or static participation rates, “stranded savings,” and missed opportunities to reduce energy costs and maintain savings over time.	S1. Provide Wrap- Around Services and Support	Expanded small commercial energy efficiency workforce empowered to deliver integrated and attractive SMCB solutions	Cumulative # of Participating Contractors	64 Contractors with enhanced capacity and ability to deliver integrated EE services to SMC Businesses
		Increase SMCB participation in comprehensive solutions to adopt pathways to zero net energy (or ZNE-ready) retrofits	# of SMCB's with ZNE vision/plan	435 SMCBs provided with project specific technical assistance to reach ZNE
			Co-pays financed	9,500+ projects with co-pay financing
			Leveraged Private Financing	\$34M+ in leveraged private financing
	S2. Drive Adoption and Behavior with Properly Aligned Incentives	Widespread interest in energy efficiency solutions where incremental cost is no longer a major barrier and customers act on projects based on high confidence in financial benefits of energy efficiency investment	Net Savings Targets for GWh, MW, MMtherms	Cumulative first year savings of 53.07 GWh, 20.41 MW, 0.51 MMtherms
			# of P4P Commercial Projects/Buildings	2,400 SMC Businesses participating in Pay-for-Performance EE programs
	S3. Test and Demonstrate Innovative Energy Efficiency Deployment Methods	Increase number of SMCB engaged with a single coordinated effort via portfolio or district engagement	# of Districts/Portfolios	10 Districts/Portfolios engaged in large scale EE program participation

Problem	Intervention Strategies	Market Effect Metrics (1/23/2017 Business Plan)	Key Metric (5/15/2017 Scoping Memo)	Cumulative BayREN Targets 2018-2025
PUBLIC				
Local governments lack reliable and consistent decision making processes, tools, and policies to facilitate the adoption of energy efficiency and ZNE activities in support of California's larger state goals.	S1. Provide wrap around services and support	Output: Electrical energy savings	Gross GWh Savings Target	Cumulative first year savings of 7.20 GWh
		Output: Demand savings	Gross MW Savings Target	Cumulative first year savings of 1.49 MW
		Output: Natural gas savings	Gross MMtherms Savings Target	Cumulative first year savings of 0.082 MMtherms
		Output: Number of participating jurisdictions (cumulative)	New Participating Jurisdictions by Year	60 jurisdictions participating in Building Energy Management Systems program
	S3. Test & demonstrate innovative energy efficiency deployment methods	Output: Increase in investment in energy efficiency	% Increase in Investment in Energy Efficiency	50% increase in investment in energy efficiency by participating jurisdictions
		Output: Energy savings/sf	Average Energy Savings/sf	15% energy savings per square foot achieved by participating jurisdictions
		Number/floor area of ZNE facilities constructed	Floor Space (sf) Programmed for ZNE	1,080,000 sf of Municipal building space programmed for ZNE
			Floor Space (sf) Built to ZNE	400,000 sf of Municipal building space built for ZNE
		Outcome: Increased early adoption of ZNE retrofits	Annual % Increase of Early Adoption of ZNE Retrofits	40% cumulative increase in early adoption of Municipal ZNE retrofits
	Together, Public metrics will measure the success of proposed strategies and tactics to engage municipal jurisdictions with services and supports to provide facilities managers and energy staff with data-driven understanding of their facilities and opportunities for managing energy and prioritizing energy efficiency improvements and operations. This systems approach will result in transformative institutional changes to increase energy savings and enable agencies to demonstrate energy and ZNE leadership within their communities.			

Problem	Intervention Strategies	Market Effect Metrics (1/23/2017 Business Plan)	Key Metric (5/15/2017 Scoping Memo)	Cumulative BayREN Targets 2018-2025	
CODES & STANDARDS					
Energy code compliance and advanced energy policies are practiced and enforced at the local level with a high degree of variation, and in some cases a high degree of non-compliance, across different jurisdictions, making it difficult to ensure that the State's energy efficiency goals are most effectively being met.	S1. Provide Wrap Around Services and Support	Output: Number of jurisdictions receiving services	# of Jurisdictions Receiving Services	93 total jurisdictions receiving services	
		Output: Number of participants receiving services	# of Participants Receiving Services	9,000 program participants	
		Output: Number of building projects receiving services**	# of Building Projects Receiving Services	9,450 buildings receiving enhanced code compliance support and enforcement services	
		Outcome: Increased code compliance and permit closeout.	% Increase Projects with Permit Closeout	40% cumulative increase in closed permits within participating jurisdictions	
	S3. Test and Demonstrate Innovative Energy Efficiency Deployment Methods	Output: Number of building projects enrolled in demonstrations**	# of Building Projects Receiving Services	9,450 buildings receiving enhanced code compliance support and enforcement services (same metric/buildings as cited above)	
		Output: Number of jurisdictions / participants enrolled in demonstrations	# of Jurisdictions Enrolled in Demonstration Projects	142 different demonstrations with participating jurisdictions	
		Outcome: Increased adoption of advanced energy policies	% Increase of Jurisdictions Adopting Advanced Energy Policies	40% cumulative increase in number of adopted advanced energy policies in participating jurisdictions	
	Together, Codes & Standards metrics will measure the success of proposed strategies and tactics to engage local jurisdictions with services and resources to support building professionals and building departments to consistently and easily deliver the fundamental and contributory co-benefits of permit and energy code compliance and meet the requirements of advanced local energy policies.				
	WATER-ENERGY NEXUS				
	Water utility customers lack an accessible and affordable option to make cost-effective water and energy efficiency property improvements, limiting the ability of water utilities to deliver the potential energy savings opportunities within water service and delivery.	S1. Provide Wrap-Around Services and Support	Output: Number of water utility accounts participating	# of Water Utility Accounts Enrolled	26,100 water utility accounts enrolled in on-bill services
Output: Energy savings, including embedded water savings and site savings			Net Savings Targets for GWh, MMtherms, and Gallons of Water	Cumulative first year savings of 0.79 GWh, 0.56 MMtherms, and 232M Gallons of Water	
Outcome: Number of Partner Water Utilities offering on-bill efficiency services			# of water utilities w/ on-bill services	40 water utilities offering on-bill services	
Together, Water-Energy Nexus metrics will measure the success of proposed strategies and tactics to engage local municipal water utilities with on-bill program designs and services to deliver significant water and water-energy nexus savings and provide customers with a mechanism to pursue property improvements required by code changes, time-of-sale requirements, or emergency drought regulations.					

b. Provide the number of multi-family units and multi-family properties in your respective geographic areas.

BayREN’s nine county territory has approximately 720,000 dwelling units in multifamily buildings with 5 or more units (from U.S. 2015 Census) in approximately 40,000 properties (tabulated from MTC urbansim parcel database, version 7224, base year 2010).

2. Questions applicable to the San Francisco Bay Area Regional Energy Network (BayREN)

A. Residential Sector

7. Please complete the highlighted sections of this metric and effects table for the multi-family sector in BayREN’s geographic area.

Below, BayREN provides two tables in the specified format. Table 7.1 provides the electricity and gas savings related to multifamily rebates, which will continue in the short-term and will begin to be decreased in the mid-to-long term while we focus on supporting other market drivers to lessen the need for ratepayer funded incentives.

Table 7.1						
GOAL: Continue to deliver savings from MF properties						
Intervention Strategy	Metric	Baseline	Metric Source	Short Term Target (1-3 years)	Mid Term Target (4-6 years)	Long Term Target (7-9 years)
S2. Drive Adoption & Performance with Properly Aligned Incentives Continued rebates	Electricity savings from MF customers	1,980,000 kWh in 2016	Gross ex ante savings from program database	1,500,000 kWh/year	1,200,000 kWh/year	900,000 kWh/year
	Gas savings from MF customers	170,000 therms in 2016	Gross ex ante savings from program database	150,000 therms/year	120,000 therms/year	90,000 therms/year
	Indicators					
Number of dwelling units represented in participating multifamily buildings and average percentage savings.						

Table 7.2 provides the targeted cumulative market share of eligible properties (expressed in dwelling units) to reach with technical assistance by the end of each term. In the short-term, the current program design of pairing rebates with technical assistance will continue. In the mid-to-long term, the technical assistance will be adjusted to align with supporting participation in the other market drivers (e.g. local government policy, green labeling programs, and financing). As recommended in the metrics spreadsheet, the value is expressed as percentage of eligible units.

Table 7.2						
GOAL: Increase reach of technical assistance to MF properties						
Intervention Strategy	Metric	Baseline	Metric Source	Short Term Target (1-3 years)	Mid Term Target (4-6 years)	Long Term Target (7-9 years)
S1. Provide WrapAround Services and Support	Percentage of eligible multifamily units served	5% of units cumulative as of 2015	Program tracking database	Reached 10% of units by end of year 3	Reached 15% of units by end of year 6	Reached 20% of units by end of year 9
Technical assistance	Indicators					
	Number of dwelling units represented in properties served by technical assistance					

B. Public Sector

8. How will the stated metrics – program tracking data and surveys – measure success and the intervention strategies? More specifically, how does BayREN propose to attribute resource savings to the proposed non-resource programs?

The Public Sector strategies will use program tracking data and surveys to track resource savings as well as non-energy metrics.

BEMS program tracking data will be drawn directly from a centralized electronic hub that collects and analyzes trend data. As such, the BayREN will have direct access to baseline and real-time data, operational modifications and equipment changes. The granularity of the data should be sufficient to satisfy measurement and verification protocols.

Program tracking data will also be used to track savings metrics for the ZNE program. Specifically, the program will model base case and ZNE plans, calculate the EUIs for each and track the modeling data through the permitting process. The difference between the base case model and the model included in the approved permits will establish the level of savings attributable to the intervention.

Program tracking data will also be used for non-energy metrics, such as the number of jurisdictions and buildings enrolled in each program.

Survey data will be used to track non-energy metrics such as changes in the level of investments in energy efficiency and the market uptake for ZNE renovations.

Please note that while the BayREN expects to directly generate significant savings in the Public Sector and to be able to accurately measure those savings, it is proposed as a non-resource program¹ and there will be no attribution of the resource savings. A concern that is addressed with the approach of not attributing savings to one program or another to claim resource credits is that other service providers (or cities themselves) will not be discouraged from enrolling sites that are claiming savings through the BayREN. We believe that it may be simpler and more effective if the Public Sector programs are non-resource and pose no potential threats, perceived or otherwise, to resource claims from other providers.

C. WE&T

9. What workforce metrics are proposed for Residential and Public Sectors?

Currently, BayREN has not established specific metrics for residential and public sector training activities which are anticipated as part of the sector tactics R2² and P2³ and ultimately integrated elements of proposed programs.

¹ The primary reason the program is proposed as non-resource is because there is only data on individual controls in the DEER database and there is no data on energy management systems. As there are expected improved operational efficiencies through building energy management systems and related training, the BayREN will consider transitioning to a resource program once sufficient field data is gathered to support the development of a new workpaper(s). The scale of the BayREN initiative would result in a substantial accumulation of data, which could accelerate deployment of BEMS in other sectors (not to mention other benefits of having access to this data).

² **Tactic R2.** Provide training and support for contractors, raters, and assessors to increase capabilities and quality of work. Business Plan, page 2.28.

As indicated in the Scoping Memo, D.15-10-028 provided guidance on Business Plan metrics:

“Business plans shall contain portfolio and sector level metrics for regulatory oversight (gWh, MW, therms, cost effectiveness, and other metrics where applicable), including performance metrics for non-resource programs.”⁴

The BayREN is not proposing a standalone WE&T sector. Instead the Plan envisions training integrated into future programs that may be conducted by BayREN and/or in partnership with other providers including through the PG&E Energy Center.

The anticipated training activities described in Tactics R2 and P2 will be developed in more detail and more granular metrics will be offered in the Implementation Plans. This is in accordance with the direction reiterated in this Scoping Memo:

“PAs will still need to set more granular metrics than just sector-level metrics, but they will do so in implementation plans, not business plans. It is in the implementation plans that we want to see at least one metric for each program/strategy/sub-sector/intervention strategy; more than one where appropriate. The business plan is not the place for that additional level of detail.”⁵

³ **Tactic P2.** Provide BEMS training and support groups. Business Plan, page 4.20.

⁴ D.15-10-028, at page 47.

⁵ May 10, 2017 Scoping Memo, at page 3, citing D.15-10-028, at page 53.