

SoCalREN

DRAFT

Energy Efficiency Business Plan

Introduction Chapter – *Read Me First*

November 2016

Table of Contents

A. Introduction.....	3
B. Business Plan Context	4
C. SoCalREN Sector-Level Goals and Overview of Strategies	5
D. Navigating SoCalREN Business Plan	7
E. Metrics for the Business Plans.....	8

DRAFT

This Business Plan is SoCalREN’s incremental draft meant to provide an update to CAEECC and stakeholders. SoCalREN may provide supplemental drafts up till the January filing to allow stakeholders a transparent view of the final BP to be filed. SoCalREN continues to refine, revise, and enhance based on various feedback working towards a final complete Business Plan to be filed as a Motion to SCE and SoCalGas Business Plans. The current content of this draft likely will change prior to the January 2017 filing.

DRAFT

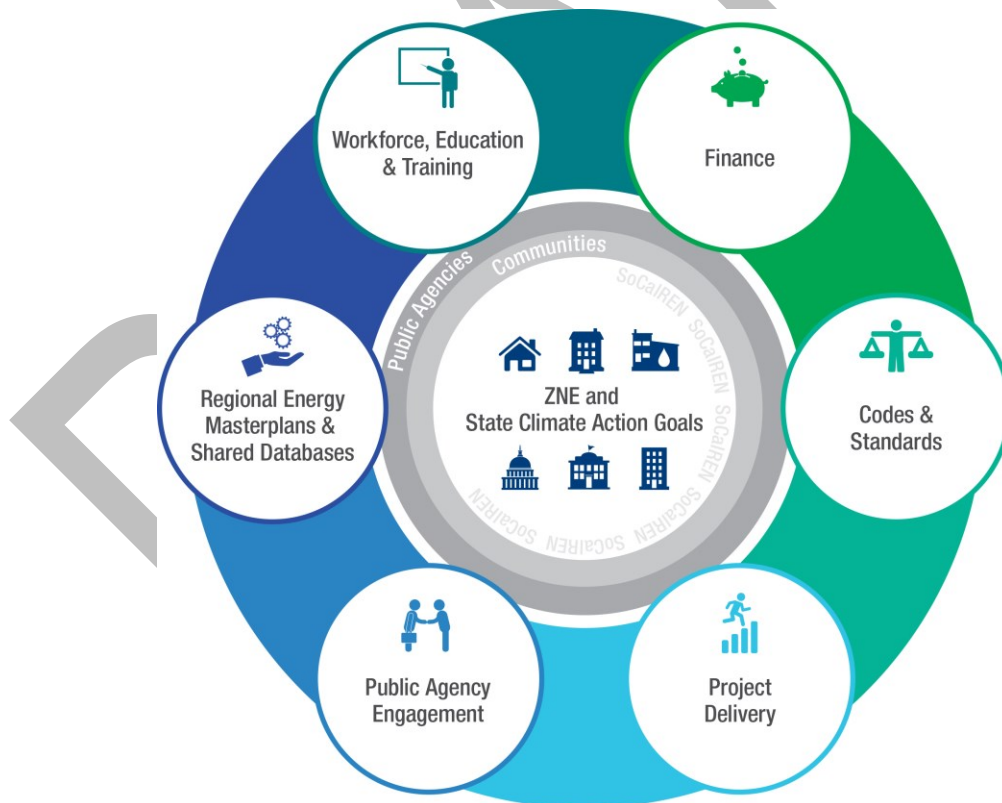
SoCalREN Introduction Chapter

A. Introduction

The Southern California Regional Energy Network (SoCalREN) is pleased to present an incremental **DRAFT** of its eight (8) year business plan (BP).¹ This document provides a listing of known gaps in the current drafts, the typical outline of each chapter, how to navigate certain sections of the plan, and a table with all sector-level goals. The overarching goal table provides the reader with an “at a glance” view of the overall portfolio.

SoCalREN envisions two main themes as the foundation of its energy efficiency portfolio. Specifically, Public Agency leadership to meet the State’s aggressive goals, and driving communities to zero net energy. Figure 1 below, captures the overall portfolio framework, the themes for each of the two core sectors, and public agency approaches. Furthermore how the cross-cutting programs of Codes & Standards (C&S), Workforce Education & Training (WE&T), and Financing will provide the key broad support helping drive the portfolio strategies in each sector.

Figure 1. SoCalREN Portfolio Framework



¹ Per ALJ guidance, SoCalREN’s Business Plan reflects an 8 year planning period specifically, 2018-2025.

Areas where SoCalREN expects to add information for the January 2017 filing include:

- Budgets
- Cost effectiveness of portfolio and applicable sectors
- Attribution contribution values
- Targets in metrics
- Evaluation, Measurement & Valuation Needs
- Additional stakeholder feedback
- Cross-Cutting Segment Chapter: Workforce, Education & Training
- Other gaps identified throughout the revision process

B. Business Plan Context

The Rolling Portfolio process adopted in Decision (D.)15-10-028 directs both Investor-Owned Utility (IOU) and non-IOU Program Administrators (PAs) to submit high-level business plan (BPs) documents describing how PAs will achieve portfolio goals.² D.15-10-028 also described and provided a template to the PA's as a guide for BP development.³ In addition, the decision directed CPUC staff to provide additional guidance on BP contents. CPUC staff guidance was to ensure useful information was provided from the PAs with an aim to keep BPs "compact and focused, and to reduce administrative costs."⁴

In accordance with D.15-12-028 and the November 2016 Assigned Commissioner/Administrative Law Judge (ALJ) ruling SoCalREN will file its BP on January 23, 2017.⁵ In the interim, SoCalREN has been working to develop a BP that meets all compliance requirements and puts forth draft chapters of the forthcoming filing for broad stakeholder input and early vetting.

In January 2017, SoCalREN will present final plans for the following sectors and activities for CPUC approval:

- Residential sector
- Public sector
- A cross-cutting segments that include:
 - C&S
 - WE&T
 - Financing

In this incremental draft version of the SoCalREN BP, each chapter contains the sections listed below and aims to incorporate stakeholder feedback. The plans are drafted at the sector-level and, as such, contain goals, intervention strategies, and metrics at a high level.

- Vision Statement
- 8 Year Budget (for January 15, 2017 filing)

² D.15-10-028, pp. 46-48

³ Appendix 3 of D. 15-10-028 provides the draft Business Plan template.

⁴ D.15-10-028, p. 57

⁵ AC/ALJ Ruling and Amended Scoping Memorandum (R.13-11-005) filed November 14, 2016, p.12

- Energy Savings Goals (for January 15, 2017 filing)
- Sector Overview
- Trends and Challenges
- SoCalREN's Approach for Achieving Goals
- Key Partners and Coordination Efforts
- Metrics and EM&V Considerations

Upon CPUC approval of the filed BP, SoCalREN will develop Implementation Plans (IPs) for proposed programs as directed by D.15-12-028.

C. SoCalREN Sector-Level Goals

Over the next eight (8) years, SoCalREN seeks to use local governments and public agencies to drive an increase in energy savings and energy efficiency (EE) adoption by creating a framework that allows them to become EE leaders in their communities. This leadership will then help drive other sectors, such as Residential, to integrate more EE and other innovative options, such as distributed energy resources (DER). Last and foremost, this integrated approach will provide significant efficiencies in program implementation, thus providing a more cost-effective portfolio over the long term. Specific goals by market sector are presented in Table 1.

Table 1. Market Sector Goals

Portfolio Goal	Public	Residential
Save GWh, MW, and MM Therms	Save XX GWh, XX MW, and XX MM therms over an eight year period.	Save XX MW, XX MWh and XX therms focusing on deep retrofit opportunities within multifamily/single family properties.
Increase public agency engagement and influence a greater proportion of customers	Increase the percentage of public agencies engaging their communities in energy actions and ZNE strategies, thereby reducing overall community energy consumption.	Demonstrate public agency actions toward promoting energy efficiency, targeting a goal of X% increase of agencies making energy efficiency commitments.
	Increase the ability of public agencies to meet local, regional and state energy targets and policy goals through (1) creating a regional energy master plan and (2) creating regional energy information databases.	Drive program participation through local outreach and engagement about energy efficiency and ZNE, engaging X% additional potential program participants.
Integrate energy efficiency with other DER options and compliance enhancements to enable a pathway to ZNE future	Increase the percentage of agencies completing energy efficiency and DER upgrades to their own buildings and facilities from xx% to yy%.	Transform home improvement markets to apply whole house energy solutions to existing homes by integrating energy efficiency with other DER options within x% of residential buildings.
	Increase the percentage of agencies adopting model codes, standards and	

	policies that support implementation of ZNE communities.	
Increase operational efficiency		Increase residential program implementation efficiencies by reducing administrative and marketing costs. Reduce residential energy efficiency program costs of \$/kW, \$/kWh and \$/therm saved by x% through the use of cost effective program models.

Cross-Cutting Sector Draft Goals

Cross-cutting goals are distinct from the goals above, as they play a supporting role. These goals work to:

1. Support statewide policy objectives including the doubling of energy efficiency by 2030, efforts to work toward zero net energy (ZNE) buildings and related greenhouse gas (GHG) and sustainability objectives.
2. Support SoCalREN's energy efficiency portfolio.

Each of the cross-cutting programs supports these two statewide goals in its own way:

- Compliance Enhancements (Codes & Standards)
 - Codes and standards community members are provided with actionable resources that address their specific role in advancing the state's ZNE goals.
 - Public agencies and external codes and standards stakeholders work together to adopt, implement and enforce advanced energy codes, standards and policies that pave the way for improved building performance and ZNE new construction.
 - Public agencies are using data, collected through enforcement of advanced codes that informs energy master plans, regional energy plans, and roadmaps for addressing energy and GHG reduction targets and strategies.
- WE&T
 - [to be provided in the January filing]
- Finance
 - Provide multiple financing options for residential and commercial projects to overcome financial barriers
 - Host public agency sponsored community events, meetings, and workshops to educate stakeholders about residential and commercial PACE financing products.
 - Increase customer engagement and interest in financing products by providing a customer service call center to help customers through the financing process.

D. Navigating SoCalREN Business Plan

Based on stakeholder feedback brought forth in the CAEECC, SoCalREN has re-worked our BP to support the stakeholder feedback received by all PA’s in October with an overwhelming response to PG&E’s outline and format. In recent CAEECC meetings, stakeholders repeatedly regarded PG&E’s BP format to be the most useful and digestible format. SoCalREN hopes the change in format and alignment will help aid in better readability for all stakeholders. In the following section SoCalREN puts forth definitions for frequently-used terms and phrases to support the reader as they review each chapter.

Intervention Strategies and Tactics Terms

This section describes two key terms: **intervention strategies** and **tactics**, which are frequently used in each chapter. In addition, Figure 2 is provided to guide readers through the contents and layout of each sector strategy table.

Intervention Strategy

A deliberate effort by PAs to intervene in the market to reduce market barriers and thereby change the level of investment in (or practice of) energy efficiency. An intervention’s success in reducing market barriers hinges on whether it leads to or causes a net beneficial outcome from a societal perspective.

Within the BPs, the term **intervention** refers to the categories of tactics used within a sector or program. As such, multiple tactics reside within each intervention. An intervention may have some existing tactics and some new tactics. It is also possible that some interventions would be wholly new. Interventions can adapt to specific market conditions but do not change often. (See Figure 2 to see how tactics and intervention strategies relate to each other.)

Tactics

An action embodied within a program to carry out a program’s intervention strategy (i.e., an action carefully planned to achieve the intervention strategy). There are multiple tactics within an intervention. (See Figure 2 above). For example, using a data sharing platform is a specific tactic for a data access intervention. Tactics are denoted as existing, modified, or new and can point to a specific customer type if relevant. The underlying tactics in which the program engages may change dramatically over time in an attempt to successfully intervene. Tactics also specify time period, as follows:

The What, Why, How, When and Who

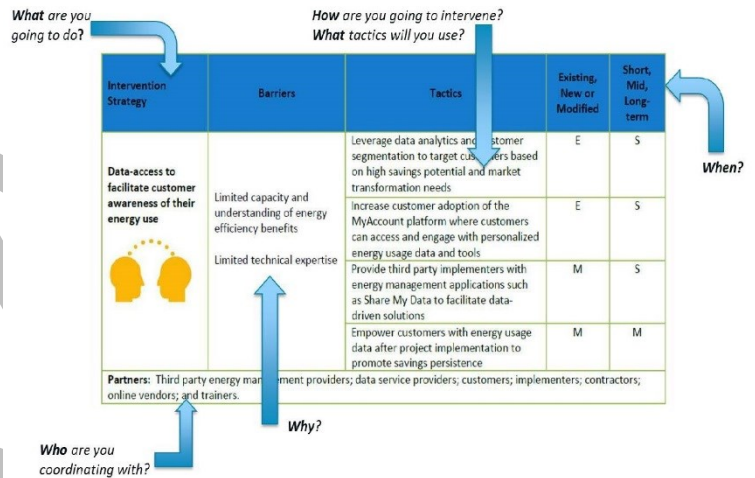


Figure 2. Guide to Sector Strategy Tables

Short Term	Mid Term	Long Term
up to 3 years (2018–2020)	4 to 6 years (2021–2023)	7 to 8 years (2024–2025)

The business plans include *example* tactics that are expected to change as the programs develop. These are provided to help the reader understand the overall intervention strategy.

E. Metrics for the Business Plans

SoCalREN recognizes the importance of ensuring that all metrics provide value to the CPUC, PAs, and other stakeholders. Any form of listed metrics can have meaningful effects on all PA's portfolios. SoCalREN understand that these metrics can provide the necessary key indicators on a portfolio's performance.

This incremental draft proposes draft metrics. SoCalREN anticipates these metrics may likely change based on stakeholder feedback before the final draft is submitted. Where the metrics may not correlate correctly, revisions will be made to better capture what would be valuable to the CPUC, PAs, and other stakeholders.

Ultimately, all of the metrics proposed for the final BP draft will be consistent with the agreed-upon statewide guiding principles for metrics.

Each sector includes a table that maps the goals to the metric(s), the baseline for the metric, where SoCalREN will collect data to track the metric over time, and targets over the same three periods listed above. As previously stated, targets are blank for now, as are some baselines, yet all will be completed for the January 2017 filing.