

**Commenter Name:** Stephanie Wang, Policy Director, California Housing Partnership

**Commenter Affiliation:** California Housing Partnership (CHPC), Natural Resources Defense Council (NRDC), and The Greenlining Institute in collaboration with the Energy Efficiency for All (EEFA) Network

**Date:** 11/21/16

**Commenter: Please Fill In This Part Of The Form**

Comment #	PA(s)	Sector	Page #	Comment
EEFA-1	PG&E SDG&E SCG SCE SoCalREN	Residential Multifamily	General Comment	<p>While we understand many of the details for the other Program Administrators will be developed as part of the implementation plan, we want to draw attention to the BayREN multifamily recommendations as a model example for future efforts. We recommend that the PAs review the following sections:</p> <ul style="list-style-type: none"> <li>• Suggest reviewing BayREN entire multifamily section (pg. 2.21-2.30), as an example of a multifamily residential section that includes data, strategies, barriers and opportunities for the sector, and expand scope to include low income.</li> <li>• Suggest reviewing BayREN Figure 5 (Pg. 2.23) for example of characterizing multifamily.</li> <li>• Suggest reviewing BayREN Business Plan Figure 6 for example of program metrics (See p. 2.25, “BAMBE Completed Projects”).</li> <li>• Suggest reviewing SoCalREN p. 7 for characterization of different multifamily market segments.</li> </ul>
EEFA – 2	PG&E SDG&E SCG SCE BayREN SoCalREN	Residential Multifamily	General Comment	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>• IOU Business Plans do not currently provide information on On-Bill Financing terms for the multifamily residential sector.</li> <li>• Ordering Paragraph 51 of the November 10<sup>th</sup> ESA decision requires the following (see p.201 of final decision):</li> </ul> <p>51. Pacific Gas and Electric Company, Southern California Edison Company, San Diego Gas &amp; Electric Company and Southern California Gas Company (four large Investor-Owned Utilities), in their program implementation plan, shall file addendums for their On-Bill Financing and On-Bill Repayment programs that should aim to: (1) better integrate On-Bill Financing and On-Bill Repayment with the Energy Savings Assistance Program Single Point Of Contact model that has been further established and empowered in this Decision and (2) consider and, if warranted, propose modified loan terms that are more accessible to the multifamily market. The plans shall identify strategies, update program design, and include detailed marketing plans to reach the multifamily sector, including the low-income occupied multifamily housing sector. The four large Investor-Owned Utilities must identify how they will utilize the Single Point of Contact budgets to include technical assistance for multifamily On-Bill Financing projects.</p>

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				<p><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li>• <b>Business Plans should commit to review On Bill Financing terms for low-income multifamily housing within 30 days of the final decision on the BP applications.</b></li> <li>• Viable financing options are important for supporting participation in multifamily programs.</li> </ul>
<p>EEFA – 3</p>	<p>PG&amp;E SDG&amp;E SCG SCE</p>	<p><i>Residential Multifamily</i></p>	<p>PG&amp;E (p.10) SCE (p.4) SDG&amp;E (pg. 19-20): SCG (p. 6) SoCalREN (P. 8)</p>	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>• Business plans of PG&amp;E, SCE, SDG&amp;E, SCE, and SCG do not include market characterization for the multifamily residential sector, or low-income multifamily sector.</li> <li>• PG&amp;E (p.10): “Sector Overview:” does not include market characterization of multifamily sector, low-income sector, or low-income multifamily sector. BP also omits any description of overall approach to these sectors.</li> <li>• SCE (p.4): Sector Profile: Sector Overview: does not include market characterization of multifamily sector, low-income sector, or low-income multifamily sector. BP also omits any description of overall approach to these sectors.</li> <li>• SDG&amp;E (pg. 19-20): Market Characterization and Segmentation: does not include market characterization of multifamily sector, low-income sector, or low-income multifamily sector. BP also omits any description of overall approach to these sectors.</li> <li>• SCG (p. 6): Market characterization: does not include market characterization of multifamily sector, low income sector, and low income multifamily sector. BP also omits any description of overall approach to these sectors.</li> <li>• SCG does not include any unique MF challenges, and characterizes barriers to serving single family and multifamily as generally the same. See p. 5-6 “Response to Sector Challenges.” Suggest reviewing SoCalREN “Target Audience” section on pgs. 6-8, or BayREN p.2.22, for a good example.</li> <li>• SoCalREN (p.8): Missing citations for footnote 14 and 15.</li> </ul> <p><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li>• We acknowledge that the BPs are for general efficiency programs, but given the ESAP direction on OBF and the requirement that general EE coordinate with ESAP multifamily efforts, it would be an informative and necessary strategy to include these characteristics.</li> <li>• <b>Include market characteristics on multifamily residential sector, including low income multifamily. These characterizations could help inform a more descriptive approach to coordinating with the ESAP multifamily offerings (see CHPC-EEFA comment #8 for more information)</b></li> <li>• <b>The general EE portfolio programs should serve those Low Income Multifamily buildings that are</b></li> </ul>

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				<p><b>not eligible for new ESA program, and understanding the market is an important aspect of outreach to the sector.</b></p> <ul style="list-style-type: none"> <li>See ESA decision p.206, re: buildings that will be served under new ESA multifamily whole building programs:</li> </ul> <p><i>Eligible properties must meet the partial definition of deed-restricted in California Public Utilities Code Section 2852 (a)(A) further modified here. For this ESA Program multifamily effort, a property must be a multifamily residential complex financed with low-income housing tax credits, tax-exempt mortgage revenue bonds, general obligation bonds, or local, state, or federal loans or grants. The property must also house at least 65% of tenants with incomes at or below 200% Federal Poverty Guidelines, per ESA Program rules.</i></p>
EEFA – 4	PG&E SDG&E SCG SCE BayREN SoCalREN	<i>Residential Multifamily</i>	General Comment	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>The annual program timelines for Energy Upgrade California Home Upgrade Multifamily Program and lack of secured long-term funding is a barrier to participation, and has the potential to impact the perception of the program’s success.</li> <li>Further, whole building energy efficiency projects for large multi-family take considerable time to develop; for example, in affordable housing properties, a large scale EE retrofit would be developed and implemented over the course of 1.5 - 3 years.</li> <li>PG&amp;E and SDG&amp;E’s EUC multifamily whole building programs currently have waiting lists, and uncertainty about the programs delays the pipeline, thus preventing households from being served.</li> </ul> <p><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li><b>Business Plans should provide for guaranteed funding allocations for 3-5 years and work with CPUC and annual advice letter process to make this possible. This change will provide more market certainty for potential program participants.</b></li> </ul> <p><b>All Business Plans should include as a barrier: Multifamily projects take longer to cultivate and implement. See pp. 23-25 of the Cadmus Multifamily Study, <a href="http://www.energydataweb.com/cpucFiles/pdaDocs/1000/ESA%20MF%20Segment%20Study%20-%20Volume%201%20Final%20Report%2012-04-13.pdf">http://www.energydataweb.com/cpucFiles/pdaDocs/1000/ESA%20MF%20Segment%20Study%20-%20Volume%201%20Final%20Report%2012-04-13.pdf</a>, citing timing of upgrades and long-term planning as critical needs for owners and barriers presented by existing programs.</b></p>
EEFA – 5	PG&E SDG&E SCG	<i>Residential Multifamily</i>	General Comment	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>Utilities have cited cost-effectiveness impacts on their overall portfolios as the reason why they</li> </ul>

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	<p>SCE BayREN SoCalREN</p>			<p>hesitate to expand EUC multifamily programs.</p> <ul style="list-style-type: none"> <li>• CPUC has prioritized making significant changes to cost-effectiveness design for distributed energy resources that we anticipate will reduce the cost-effectiveness impacts of EUC multifamily program expansion on energy efficiency portfolios.</li> <li>• Business Plans should provide continuity for potential EUC multifamily program participants through this transition period, and support expansion of the EUC multifamily program subject to upcoming changes in cost-effectiveness impacts.</li> </ul> <p><b>Recommended Action</b></p> <ul style="list-style-type: none"> <li>• <b>While recognizing the constraints posed by existing cost-effectiveness requirements, Business Plans should support the continuation and expansion of EUC multifamily whole building programs.</b></li> </ul>
<p>EEFA – 6</p>	<p>PG&amp;E SDG&amp;E SCG SCE BayREN SoCalREN</p>	<p><i>Residential Multifamily</i></p>	<p>SCG (pg.12) PG&amp;E (p. 51) PG&amp;E (p. 51) BayREN (3.22) SCE (p. 20-21) SDG&amp;E (p.33)</p>	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>• SCG: (pg. 12): EM&amp;V section notably short- Missing connection to residential multifamily.</li> <li>• PG&amp;E (p. 51): Missing metrics related to reaching low-income customers, and low-income multifamily sector.</li> <li>• SCE(p. 20-21): Missing clear EM&amp;V proposal.</li> <li>• SDG&amp;E (p.33): Missing metrics related to reaching los income customers, and low-income multifamily sector.</li> <li>• BayREN (3.22): EM&amp;V section absent from draft</li> </ul> <p><b>Recommended Action</b></p> <p><b>EM&amp;V metrics for multifamily should be outcome-oriented, rather than output-oriented, and include multifamily low-income specific metrics.</b></p> <ul style="list-style-type: none"> <li>• Recommend including a metric such as: “Within the multifamily sector and low-income multifamily sector, increase program participation number from X% in 2017 to XX% over the 10-year period.”</li> <li>• Recommend tracking uptake and attrition from initial consultation through completion of retrofit for multifamily programs.</li> <li>• Recommend including metric to track coordination between low-income and general income programs, particularly for the multifamily sector e.g. number of projects jointly participating in ESA and general EE programs and percent increase from X% in 2017 to XX% over the 10-year period.</li> </ul>

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EEFA-7		Residential Multifamily	General Comment	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>• CPUC recognizes the need for whole building programs for multifamily housing.</li> <li>• The November 10th ESA decision calls out the need for whole-building treatment programs for the LI MF housing that don't qualify for the ESA program. ESA decision p.192:</li> </ul> <p><i>For the rest of the multifamily building stock (including privately owned multifamily buildings or buildings that do not reach the 65% income eligibility threshold), we agree that the SPOC model for addressing the "split incentive" problem. SPOC is an appropriate initial starting point when coupled with some ESA program funding for common area measures although we note that SPOC will be most effective when treatment, and not just contact, occurs across the different ratepayer-funded program offerings. Dwelling owners should be able to leverage ESA Program funding with other sources of funds to deploy energy saving measures for common areas or other parts of the multifamily building needing treatment. Leveraging programs may necessitate that treatment occurs in a coordinated fashion, so that SPOC is simultaneous or sequenced to get the best bang for the buck.</i></p> <p><b>Recommended Action</b></p> <p><b>Business Plans should commit to meet zero net energy goals for multifamily buildings through whole building programs, including LI MF buildings not served by ESA.</b></p>
EEFA – 8	PG&E SDG&E SCG SCE BayREN SoCalREN	Residential Multifamily	General Comment	<p><b>Observations</b></p> <ul style="list-style-type: none"> <li>• The IOUs did not include strategies for coordinating with ESA multifamily programs.</li> <li>• SCE does mention coordination with ESAP (Pg. 46): "Multi-family program offerings have been working on alignment with ESA offerings since 2014. These efforts will continue in the future and the strategies to do so are laid out in Section II."</li> </ul> <p><b>Recommended Action</b></p> <p><b>All Business Plans should include strategies for coordinating with ESA multifamily programs.</b></p> <ul style="list-style-type: none"> <li>• Given that some multifamily buildings will be excluded from the ESAP comprehensive MF offerings, we recommend PAs coordinate with the ESA program to leverage single end use offerings and provide a more comprehensive approach to those buildings since they are unable to be fully served by the ESA program.</li> </ul>

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The California Housing Partnership, Natural Resources Defense Council, and the Greenlining Institute respectively submit these comments on behalf of the [Energy Efficiency for All](#) (EEFA), a national partnership of the Energy Foundation, Elevate Energy, National Housing Trust, and Natural Resources Defense Council (NRDC) dedicated to linking the energy and housing sectors together in order to tap the benefits of energy efficiency for millions of low-income families. This national initiative is focused in twelve states. In California, core EEFA partners include: CHPC and the [Green Rental Home Energy Efficiency Network](#), NRDC, The Greenlining Institute, Build it Green, and Association for Energy Affordability.

If you have questions or need clarification regarding these comments, please contact Stephanie Wang at [swang@chpc.net](mailto:swang@chpc.net) or (415) 433-6804x