



MCE

Residential Direct Install Program

MCE05 & MCE08

Implementation Plan

PY2019

June 26, 2019

Version 1.0

Table of Contents

| | |
|---|----|
| Program Budget and Savings Information | 3 |
| Program and/or Sub-Program Name | 3 |
| Sub-Program ID number | 3 |
| Sub-Program Budget Table | 3 |
| Sub-program Net Impacts Table | 3 |
| Sub-Program Cost Effectiveness (TRC) | 4 |
| Sub-Program Cost Effectiveness (PAC) | 4 |
| Type of Sub-Program Implementer | 4 |
| Market Sector | 4 |
| Sub-program Type | 4 |
| Intervention Strategies | 4 |
| Program Implementation Plan Narrative | 5 |
| Program Description | 5 |
| Program Delivery and Customer Service | 5 |
| Program Design and Best Practices | 8 |
| EM&V | 10 |
| Pilots | 11 |
| Additional Information | 11 |
| Supporting Documents | 11 |
| Program Manuals and Program Rules | 12 |
| Program Logic Model | 12 |
| Process Flow Chart | 13 |
| Incentive Tables, Workpapers, Software Tools | 14 |
| Quantitative Program Targets & Metrics | 15 |
| Program Targets | 15 |
| Program Metrics & Indicators | 15 |
| Diagram of Program | 17 |

Program Budget and Savings Information

1. Program and/or Sub-Program Name:

Multifamily Direct Install
 Single Family Direct Install

2. Sub-Program ID number:

MCE05
 MCE08

3. Sub-Program Budget Table:

| MCE05 Budget Category | 2019 Budget |
|--|-------------|
| Administration | \$24,099 |
| Marketing, Education, and Outreach | \$12,873 |
| Implementation (Direct Install Non-Incentives) | \$180,000 |
| Incentives | \$80,000 |
| Total | \$296,971 |

| MCE08 Budget Category | 2019 Budget |
|--|-------------|
| Administration | \$44,470 |
| Marketing, Education, and Outreach | \$25,031 |
| Implementation (Direct Install Non-Incentives) | \$200,000 |
| Incentives | \$150,000 |
| Total | \$419,501 |

4. Sub-program Net Impacts Table:

| Program ID | Net kWh Reduced | Net Therms Reduced |
|------------|-----------------|--------------------|
| MCE05 | 205,367 | 13,126 |
| MCE08 | 276,562 | 19,690 |

5. Sub-Program Cost Effectiveness (TRC):

| Program ID Number | 2019 TRC |
|-------------------|----------|
| MCE05 | 0.88 |
| MCE08 | 0.88 |

6. Sub-Program Cost Effectiveness (PAC):

| Program ID | 2019 PAC |
|------------|----------|
| MCE05 | 0.89 |
| MCE08 | 0.89 |

7. Type of Sub-Program Implementer (Core, Third Party, or Partnership):

Third Party

8. Market Sector (including multi-family, low income, etc.):

Single Family Middle Income, Single Family Market Rate, Multi-family Middle Income, Multi-Family Market Rate

9. Sub-program Type (Non-resource, Resource Acquisition, Market Transformation):

Resource Acquisition

10. Intervention Strategies (Upstream, Downstream, Midstream, Direct Install, Non-Resource, Finance, etc.):

Direct Install

Program Implementation Plan Narrative

PROGRAM DESCRIPTION

Describe the program, its rationale and objectives.

The Single Family and Multifamily Direct Install programs will provide no-cost energy efficiency measures to eligible homeowners and tenants in both single family and multifamily dwellings in MCE's service area. This program targets customers in Disadvantaged Communities (DACs) whose household income is between 80% and 120% of the Area Median Income (AMI). The target group's income exceeds the limit to receive services through programs like the Energy Savings Assistance Program (ESA) and Low-Income Families and Tenants (LIFT) Program, yet are still income constrained (lower-middle income). While there is no income cap to participate in the program, the program targets homeowners and renters in particular neighborhoods to ensure that lower middle-income customers are reached. The goal is to introduce this market sector to the concepts of energy efficiency, provide upgrades that reduce household energy consumption, and encourage a pathway toward deeper energy retrofits offered through existing and emerging market rate programs and technology. The program will meet its key objectives:

- Increase awareness about energy use and associated economic and environmental impacts in the Residential sector within MCE's service area
- Serve customers via a single point of contact for their energy journey, while also connecting them to other available local and regional offerings.
- Ensure program measures and delivery model are cost effective and achieve forecasted savings targets.

Additional information is outlined in the Program Manual.

PROGRAM DELIVERY AND CUSTOMER SERVICE

Describe how the energy efficiency program will deliver savings; how it will reach customers and the services that the program will provide. Describe all services and tools that are provided.

Deliver Savings:

The Program will deliver downstream energy efficiency measures at penetration rates that achieve the program cost-effectiveness targets of .88 TRC and .89 PAC using the deemed savings methodology. Customers will benefit through lowering of their energy and water cost burden and receiving combustion appliance safety testing and high-quality and low-maintenance service items like lighting and water flow controls.

MCE has contracted with a third party, Build It Green (BIG), to implement the Single Family Direct Install Program and the Multifamily Direct Install Program. MCE and Build It Green will coordinate directly with Participating Contractors to market the program to end users. BIG and Participating Contractors will gather customer eligibility information, complete a household energy assessment, complete combustion appliance safety testing, install eligible measures, and provide customer education materials on roughly 175 residential single family homes and 100 multifamily units in the initial program phase.

BIG will vet contractors for eligibility and program adherence and provide them with marketing materials, technical assistance, and reimbursement for completed work. BIG will conduct reviews of application materials for accuracy, conduct field quality control inspections, and provide customer service support for the program in MCE's service area. Participating contractors will install a combination of energy efficient measures that deliver savings to meet the program savings goals (see list of measures in the Appendix).

Customer Engagement:

For the single family program, Participating Contractors will begin their outreach to customers in DACs in Climate Zone 12 who have not received services from other energy efficiency programs. Participating Contractors will utilize door hangers, a program cut sheet, program ID badges, and content on the MCE website to inform customers about the program offerings.

For the multifamily program, BIG will conduct outreach to property owners and property management companies to identify leads to pass along to Participating Contractors. Participating Contractors will complete measure installation in individual units in eligible multifamily properties.

While the single family and multifamily program will initially target customers in DACs in Climate Zone 12 with a household income of 80%-120% of AMI, the program will refer customers with household income below 80% AMI to the Energy Savings Assistance Program and provide customers with an AMI above 120% an option to participate in this program or other currently available market rate programs. Over time, the program will strive to serve as many customers in the MCE service area as is cost effective.

Marketing & Outreach Strategies:

Collateral: Participating contractors will leverage marketing materials to inform customers about the program. Where appropriate, some materials will include brand logos from MCE, Build It Green, and the respective contractor. This will support the new program's credibility and improve customer trust. The primary marketing materials are:

- Program cut sheet (Co-Branded)
- Badges (Co-Branded)

- Door Hangers (Co-branded)

Web Content: The Program will use a landing page within MCE’s website to inform potential customers and stakeholders about customer eligibility, available measures, and contact information for both BIG and Participating Contractors.

Stakeholder Engagement: BIG will conduct outreach to property owners and property management companies to provide information about program offerings, technical assistance, and contact information for Participating Contractors.

Services Provided:

The Program will deliver downstream energy savings through direct installation of pre-screened energy efficiency measures.

- **No-cost Measures¹** - Install pre-screened energy efficient measures in single family homes and multifamily units.
- **Single Point of Contact** – Provide personalized attention, follow-through, and assistance in identifying solutions that meet customers’ needs.
- **Assessment** – Household assessments for single family homes and multifamily units to establish measure eligibility and identify potential opportunities to accomplish deeper savings.
- **Energy Education** – The Program will offer energy education resources to help customers understand the benefits of measures installed in their home and guide them through the process of identifying options and resources to adopt more energy saving technologies.

BIG will serve as the Single Point of Contact (SPOC) for the targeted customers as coordinator and primary contact for information related to all program activity. BIG will operate and maintain a customer-facing phone line and e-mail address to provide customers with an understanding of program offerings and receive and respond to customer inquiries and feedback using standardized email templates and talking points. BIG will relay to the Participating Contractor feedback received about their performance and compile for MCE customer feedback regarding program offerings. BIG’s Customer Service (CSR) team is highly trained in energy efficiency and will be knowledgeable about the program guidelines. Contractors who participate in the program without speaking with BIG’s CSR team still receive a household assessment and education on other program offerings they could consider as the next step in their energy efficiency journey.

¹ The list of measures is available under supporting documentation section 4.

PROGRAM DESIGN AND BEST PRACTICES

Describe how the program meets the market barriers in the relevant market sector/end use. Describe why the program approach constitutes “best practices” or reflects “lessons learned”. Provide references where available.

Market Barriers:

The target market faces difficulties in accessing energy efficiency program benefits. Program requirements of traditional income-qualified and market rate energy programs block access to information and energy saving opportunities for middle-income homeowners and tenants. This target audience does not qualify for low-income programs and market rate programs are out of reach due to the compounding effects of high cost of living and the high cost of measures and installation--both of which are driven by regional market factors. MCE’s Direct Install Program will assist participants by identifying and installing cost effective technologies, reducing the participants’ energy and water cost burdens, and recommending a pathway for future cost-effective energy efficiency improvements--all at no cost to the participant.

Customers who reside in multifamily dwellings face additional market barriers. While these customers are responsible for paying for their energy consumption, any permanent improvements completed to their residence remain in the unit after their tenancy ends. Property owners who do not pay their tenants utility bills are disincentivized from making permanent improvements on their property as they often do not see any measurable benefit for completing the improvement. This program will address these challenges by offering pre-vetted, cost effective upgrades to property owners and tenants that will reduce tenant’s energy burden with no upfront cost to either the property owner or the tenant.

The table below details how the Program will minimize the barriers of participation.

| Market Barriers and Intervention Strategies | | |
|---|--|--|
| Market Barrier | Desired Market Effect | Intervention Strategies |
| Financial barrier; lack of awareness | <ul style="list-style-type: none"> Financial benefit of energy efficiency upgrades Increased awareness of MCE’s program offerings through outreach efforts | <ul style="list-style-type: none"> Direct install of no-cost energy efficiency measures The Program educates customers about the long-term benefits of energy efficiency, available incentives, and other programs that may help |

| | | |
|--|--|---|
| <p>Split incentive</p> | <ul style="list-style-type: none"> ● Increase in the awareness of non-energy benefits of energy efficiency measures (i.e. comfort, light quality, etc.) and the value it has on the rental market ● Stand-alone direct install program | <ul style="list-style-type: none"> ● Door-to-door direct install provides energy efficiency measures free of cost ● Behavioral campaigns encourage low-cost and no-cost solutions |
| <p>Lack of contractors trained in IDSM and how to meet or exceed code</p> | <ul style="list-style-type: none"> ● Increase in the number of contractors who understand the benefits of IDSM and can use that knowledge to sell projects | <ul style="list-style-type: none"> ● Contractor training |
| <p>Property owners'/ managers' perception of rebate programs</p> | <ul style="list-style-type: none"> ● MCE is the first point of contact for property owners considering upgrades ● Property owners/managers seek ongoing energy improvements | <ul style="list-style-type: none"> ● SPOC will build and maintain long-term relationships with property owners and managers ● Provide opportunities for properties, owners, and tenants to experience MCE's program without having to make a long-term commitment |

Best Practices:

The Program will promote an entry point into MCE programs and a comprehensive approach to energy efficiency in the residential sector, available to qualifying customers through a range of outreach and marketing strategies. The program will work directly with customers and trade allies to help identify qualifying customers providing and connecting them to MCE services. The program will include the following aspects:

- Engaging with customers to provide easy entry point into energy efficiency and support future efforts.
- Providing services to underserved customers.
- Engaging customers across MCE's service area to provide maximum customer value and increase the rate of customer participation.

- Creating impacts through neighborhood and community strategies.
- Educating customers on energy efficiency opportunities and directing them to the program through direct interaction, and marketing activities and materials,
- Educating and training an effective network of contractors and partners to encourage energy efficiency and other innovating technologies to benefit customers.
- Coordinating outreach with multiple offerings and implementers to streamline process for customers and maximize benefits for customers and MCE.
- Reviewing applications for eligibility, program and installation requirements.
- Processing completed applications and issuing payment to subcontractors.
- Identifying customers for other current and future MCE programs.
- Completing field quality control to verify installation and program requirements.

EM&V

Describe any process evaluation or other evaluation efforts that the Program Administrator (PA) will undertake. Identify the evaluation needs that the PA must build into the program.

MCE is proposing to work with CPUC Energy Division to develop a comprehensive EM&V Plan after the program implementation plans are filed. MCE will follow the guidelines set forth in the Statewide Customized Offering Procedures, and coordinate with the Energy Division to approve the EM&V Plan to be in accordance with program objectives. Development of these plans will occur after final program design is approved by the CPUC and after program implementation has begun, since the plans need to be based on described program design and implementation barriers.

Performance Metrics:

As defined in the Business Plan Decision, the Program will track and report on the following:

Single Family

- First year annual and lifecycle ex-ante (pre-evaluation) gas, electric, and demand savings (gross and net) for Single Family Customers
- Greenhouse gasses (MT CO₂eq) Net kWh savings, reported on an annual basis
- Average savings per participant in both opt-in and opt-out programs (broken down by downstream, midstream and upstream, as feasible)
- Percent of participation relative to eligible population Percent of participation in disadvantaged communities
- Percent of participation by customers defined as "hard-to-reach"
- Levelized cost of energy efficiency per kWh, therm and kW (use both TRC and PAC)
- Average energy use intensity of single family homes (average usage per household – not adjusted)

Multifamily

- First year and lifecycle savings ex-ante (pre-evaluation) gas, electric, and demand savings (gross and net) for multifamily customers (in-unit, common area, and master metered accounts)
- Greenhouse gasses (MT CO₂eq) Net kWh savings, reported on an annual basis
- Average savings per participant Savings per project (property)
- Energy savings (kWh, kw, therms) per project (building)
- Energy savings (kWh, kw, therms) per square foot
- Percent of participation relative to eligible population (by unit, and property)
- Percent of square feet of eligible population participating (by property)
- Percent of participation in disadvantaged communities
- Percent of participation by customers defined as “hard-to-reach”
- Percent of benchmarked multi-family properties relative to the eligible population
- Percent of benchmarking by properties defined as “hard-to-reach”
- Levelized cost of energy efficiency per kWh, therm and kW (use both TRC and PAC)
- Average energy use intensity of multifamily buildings (average usage per square foot – not adjusted and Average energy use intensity of multifamily units, including in-unit accounts)

PILOTS

Please describe any pilot projects that are part of this program, and explain the innovative characteristics to these pilots. The inclusion of this description should not replace the Ideation Process requirements currently agreed by the Commission staff and IOUs. This process is still undergoing refinements and will be further discussed as part of Phase III of this proceeding.

Not Applicable

ADDITIONAL INFORMATION

Include here additional information as required by Commission decision or ruling (As applicable. Indicate decision or ruling and page numbers)

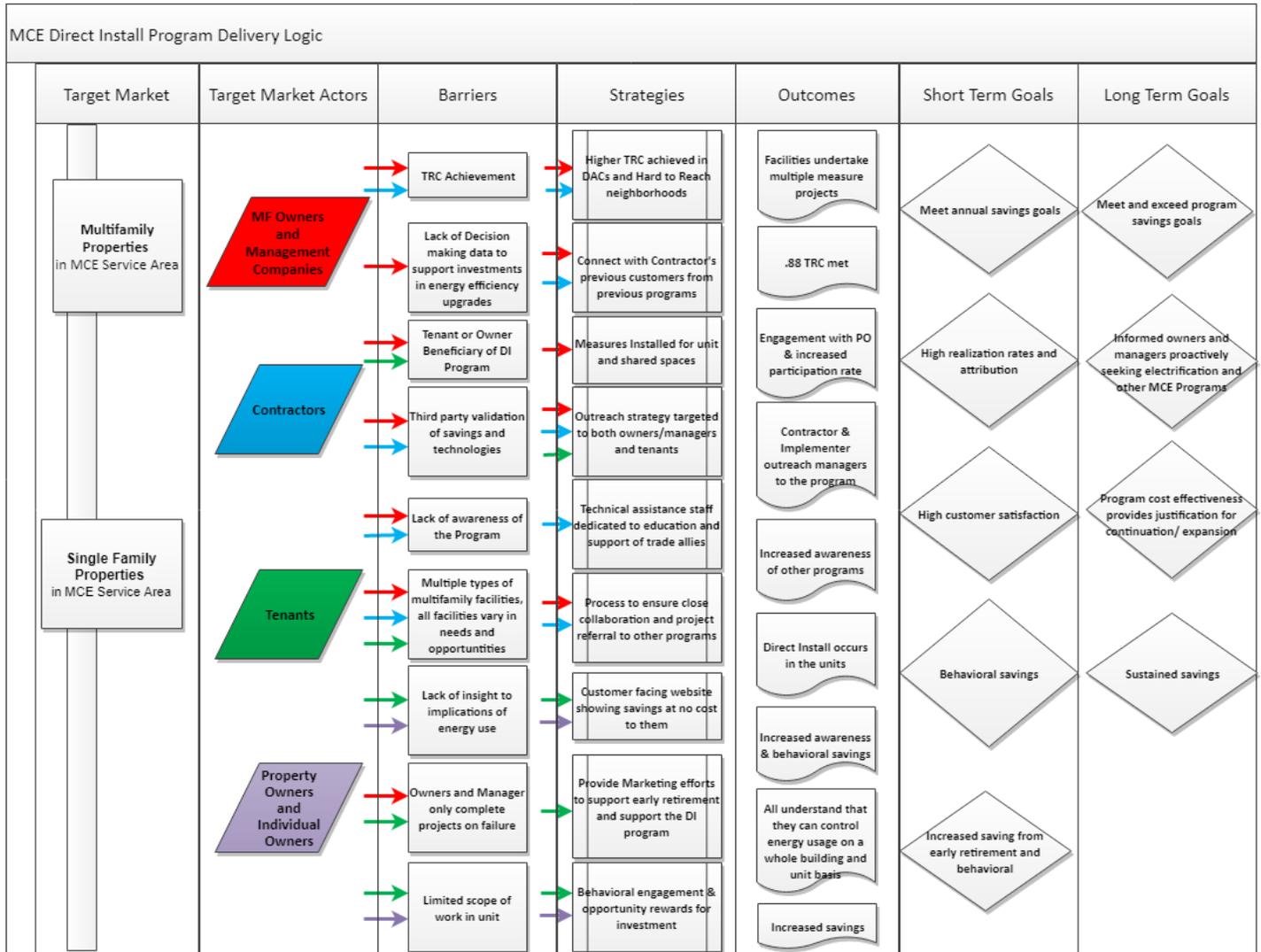
Not Applicable

Supporting Documents

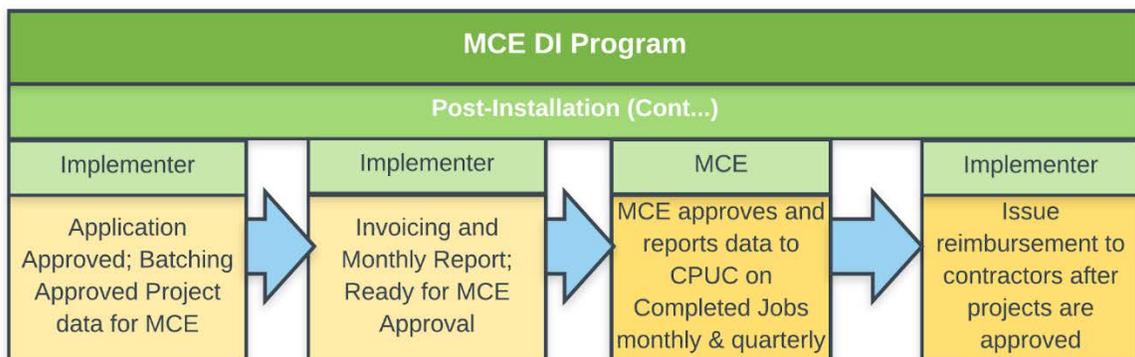
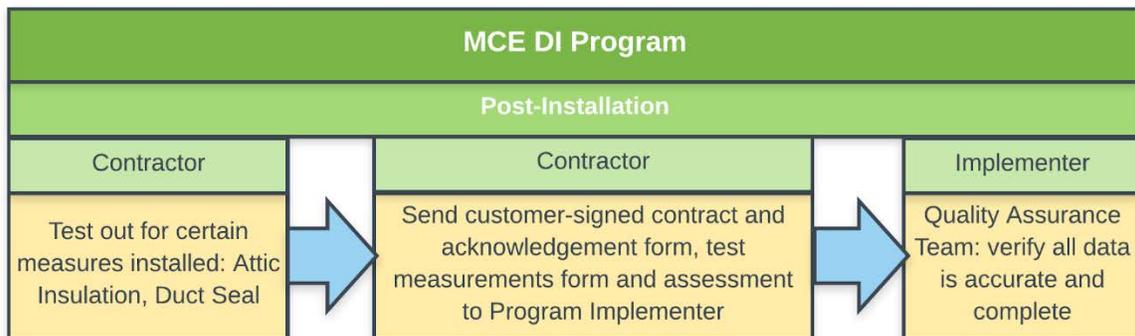
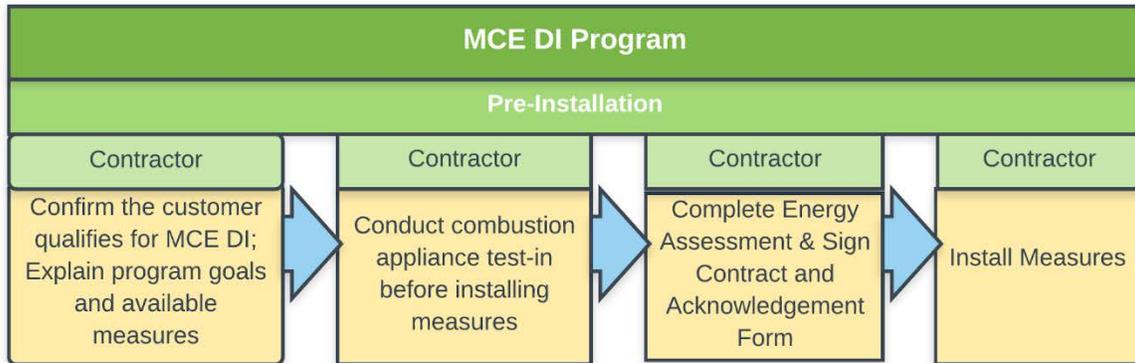
1. Program Manuals and Program Rules

[Attached](#)

2. Program Logic Model



3. Process Flow Chart



4. Incentive Tables, Workpapers, Software Tools

The measures identified below yield deemed savings capable of meeting the Net Impacts and Sub-Program Cost Effectiveness included in the Program Budget and Savings Information. The program will deliver a balanced set of measures to ensure property owners and tenants receive as many measures as is cost effective. The measures and reimbursement amounts are subject to change.

| Measure | Reimbursement |
|----------------------------------|---------------|
| HVAC Measures | |
| Blower Motor | \$450 |
| Refrigerant Charge | \$200 |
| Coil Clean | \$200 |
| Fan Delay Switch (PSC & ECM) | \$300 |
| Duct Sealing | \$350 |
| Smart Thermostat | \$240 |
| Shell Measures | |
| Attic Insulation (per sq. ft.) | \$1.30 |
| Base Load | |
| Refrigerators | \$600 |
| Tier 2 Power Strips | \$45 |
| Lighting | |
| Exterior Lighting (LED) | \$10 |
| LED Bulbs (Interior) | \$10 |
| Water | |
| Faucet Restrictor | \$8 |
| Low Flow Shower Head (Hand-Held) | \$30 |

| | |
|----------------------|------|
| Low Flow Shower Head | \$30 |
|----------------------|------|

5. Quantitative Program Targets & Metrics

Program Targets

| Single Family | |
|--------------------|---------|
| Net kWh Reduced | 276,562 |
| Net Therms Reduced | 19,690 |
| TRC | 0.88 |
| # Homes | 175 |

| Multi Family | |
|--------------------|---------|
| Net kWh Reduced | 205,367 |
| Net Therms Reduced | 13,126 |
| TRC | 0.88 |
| # Units | 100 |

Program Metrics & Indicators

| Adopted Common Metrics for Energy Efficiency Business Plans Residential Single Family | |
|--|--|
| Metric / Indicator Name | Description |
| Energy Savings | First year annual and lifecycle ex-ante (pre-evaluation) gas, electric, and demand savings (gross and net) for Single Family Customers |
| Greenhouse Gas Emissions | Greenhouse gasses (MT CO ₂ eq) Net kWh savings, reported on an annual basis |
| Depth of interventions | Average savings per participant in both opt-in and opt-out programs (broken down by downstream, midstream and upstream, as feasible) |
| Penetration of energy efficiency programs in the eligible market | Percent of participation relative to eligible population Percent of participation in disadvantaged |

| | |
|----------------------------|--|
| | communities Percent of participation by customers defined as "hard-to-reach" |
| Cost per unit saved | Levelized cost of energy efficiency per kWh, therm and kW (use both TRC and PAC) |
| Energy intensity | Average energy use intensity of single family homes (average usage per household – not adjusted) |

| Adopted Common Metrics for Energy Efficiency Business Plans - Residential Multifamily | |
|--|--|
| Metric / Indicator Name | Description |
| Capturing Energy Savings | Savings first year annual and lifecycle ex-ante (pre-evaluation) gas, electric, and demand savings (gross and net) for multifamily customers (in-unit, common area, and master metered accounts) |
| Greenhouse Gas Emissions | Greenhouse gasses (MT CO ₂ eq) Net kWh savings, reported on an annual basis |
| Depth of Interventions | Average savings per participant Savings per project (property) Energy savings (kWh, kw, therms) per project (building) Energy savings (kWh, kw, therms) per square foot |
| Penetration of energy efficiency programs in the eligible market | Percent of participation relative to eligible population (by unit, and property) Percent of square feet of eligible population participating (by property) Percent of participation in disadvantaged communities Percent of participation by customers defined as "hard-to-reach" |
| Penetration of benchmarking in the eligible market | Percent of benchmarked multi-family properties relative to the eligible population Percent of benchmarking by properties |

| | |
|---------------------|--|
| | defined as "hard-to-reach" |
| Cost per unit saved | Levelized cost of energy efficiency per kWh, therm and kW (use both TRC and PAC) |
| Energy Intensity | Average energy use intensity of multifamily buildings (average usage per square foot – not adjusted and Average energy use intensity of multifamily units, including in-unit accounts) |

6. Diagram of Program

