San Diego Gas & Electric

Groceries, Restaurants and Food Storage Program

Implementation Plan

February 27, 2025

DRAFT - Version 1

Updated: February 2025

Table of Contents

DRAFT

DRAFT

SDG&E
Groceries, Restaurants and Food Storage Program

Program Overview

The San Diego Gas & Electric (SDG&E) Groceries, Restaurants and Food Storage Program (GRFS Program) is a downstream, commercial retrofit resource acquisition energy efficiency (EE) program that leverages meter-based savings pathways with a focus on population level normalized metered energy consumption (Pop-NMEC) and site level NMEC (Site-NMEC). The GRFS Program exclusively serves Customers in the grocery, restaurant, and food storage market sectors and offers Deemed rebates to Customers within those sectors not eligible or appropriate for a NMEC approach.

Program Budget and Savings

Table 1: Program Budget and Savings		
1	Program Name	Groceries, Restaurants and Food Storage Program (GRFS Program)
2	Program ID number	SDGE4169
3	Program Implementer	Alternative Energy Systems Consulting, Inc. (AESC)
4	Portfolio Administrator	San Diego Gas & Electric (SDG&E)
5	Program Implementer Type (IOU Core, Third-Party Solicited, REN/CCA)	Third-Party Solicited
6	Portfolio Segment (Resource Acquisition, Equity, Market Support, or Codes and Standards)[1]	Resource Acquisition
7	Total Program Budget	$5,531,933.55
8	Program Budget by Year	Ramp-up $50,000 2025 $1,326,995.39 2026 $2,077,549.66 2027 $2,077,388.50

[1] D.21-05-031 Ordering Paragraph 2

DRAFT

Table 1: Program Budget and Savings		
9	Program Duration (Start Date - End Date)	January 27, 2025 – December 31, 2027, with NMEC performance monitoring and program shutdown activities concluding by March 31, 2029 Ramp-up activities, including Implementation Plan development, began in late January 2025 after the AL was approved. The program is expected to open for customer participation during the first half of 2025, with implementation activities expected to end by December 31, 2027. Program shutdown activities shall continue through, and be completed by, March 31, 2029, to allow for M&V activities and NMEC performance monitoring to conclude.
10	Total System Benefit (TSB) (Total Program TSB and TSB by Program Year)	2025 $1,885,873.93 2026 $3,088,851.82 2027 $3,088,597.37 Total $8,063,323.12
11	CO_2 (Lifecycle, First Year, Net, Gross)	CO_2 Lifecycle, Net: 27,381 CO_2 Lifecycle, Gross: 28,100 CO_2 First Year, Net: 4,117 CO_2 First Year, Gross: 4,200
12	KW (First Year, Net, Gross)	kW First Year, Net: 1,572 kW First Year, Gross: 1,594
13	KWh (Lifecycle, First Year, Net, Gross)	kWh Lifecycle, Net: 95,438,580 kWh Lifecycle, Gross: 97,635,351 kWh First Year, Net: 12,530,672 kWh First Year, Gross: 12,763,541

DRAFT

Table 1: Program Budget and Savings		
14	Therms (Lifecycle, First Year, Net, Gross)	Therms Lifecycle, Net: 38,531 Therms Lifecycle, Gross: 66,698 Therms First Year, Net: -9,308 Therms First Year, Gross: -8,015
15	Program Cost Effectiveness: Total Resource Cost (TRC): (Total TRC and TRC by Year)	2025 TRC: 0.95 2026 TRC: 1.04 2027 TRC: 1.04 Total TRC: 1.02
16	Program Cost Effectiveness: Program Administrator Cost (PAC): (Total PAC and PAC by Year)	2025 PAC: 1.32 2026 PAC: 1.53 2027 PAC: 1.53 Total PAC: 1.47
17	Market Sector(s) (i.e., residential, commercial, industrial, agricultural, public or cross-cutting) If multi-sector, provide estimated % of the total budget for each sector)	100% Commercial
18	Program Type (i.e., Non-resource, Resource)	Resource
19	Delivery Type(s) (i.e., Upstream-Manufactured, Midstream-Distributor, Midstream-Retail, Downstream, Downstream - Direct Install,[2] Codes & Standards)[3]	Downstream
20	Intervention Strategies (e.g., Strategic Energy Management (SEM), Market Access Program (MAP), Direct Install, Incentive, Finance, Audit, Technical Assistance, Advocacy, Training, Marketing and Outreach, etc.)	Market Access Program (MAP), Incentive, and Finance
21	M&V Methods (e.g., Deemed, Custom, NMEC – Population, NMEC – Site, SEM M&V, Randomized Controlled Trial (RCT), Other (if applicable, describe Other M&V method))	NMEC-Population, NMEC-Site, and Deemed

[2] https://cedars.sound-data.com/deer-resources/deemed-measure-packages/guidance/
[3] Database for Energy Efficiency Resources (DEER) 2026 Delivery Types

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Implementation Plan Narrative

1. Program Description

The GRFS Program is a downstream commercial retrofit resource acquisition EE program that leverages meter-based pathways with a focus on Pop-NMEC and Site-NMEC. Project delivery is supported through strategically selected Subcontracted Aggregator(s) with assigned goals who bring extensive experience in the targeted markets and with Pop-NMEC projects. The GRFS Program also offers limited enrollment for additional trade allies and Aggregators (Enrolled Aggregators) serving SDG&E's market to leverage all savings pathways to reach the Program's TSB goals.

2. Performance Tracking

Table 2: Performance Metrics

Year	2025	2026	2027	Program Total
TSB ($)	$1,885,873.93	$3,088,851.82	$3,088,597.37	$8,063,323.12
TRC	0.95	1.04	1.04	1.02

The primary metrics for tracking Program progress are TSB, TRC, Program performance reporting accuracy, marketing campaign efficiency, Customer satisfaction, Hard to Reach (HTR) and Disadvantaged Communities (DAC) penetration, inspection results, enrollment data accuracy, and diverse business enterprise (DBE) compliance.

AESC will track the following metrics in the monthly, quarterly, and annual reporting for enrolled and completed projects:

- Forecast of monthly savings, TSB and budgets
- Accruals and financial commitments
- DBE subcontractor spending
- Program costs and cost allocations
- Program impacts in TSB, kW, kWh and Therms
- California Energy Data and Reporting System (CEDARS) Cost Effectiveness Tool (CET) results
- Customer survey feedback
- Disadvantaged worker reporting
- HTR and DAC Customer Reporting

These metrics may be modified based on final Program reporting requirements.

3. Program Delivery and Customer Services

The purpose of the GRFS Program is to overcome traditional barriers and deliver cost effective

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TSB and energy savings in targeted markets through three customer types:

1. Medium and Large Grocery
2. Food Storage
3. Small Facility and HTR customers

The Program delivery team (AESC Team) includes Taper (a Subcontracted Aggregator), engineering firm ASK Energy (a certified WBE and MBE), and refrigeration efficiency consultant, Claudius Lynne LLC.

The Program offers a multi-channel delivery approach to meet the diverse needs of the market with three distinct pathways to claim and pay savings (Pop-NMEC, Site-NMEC, and Deemed rebates). Customers must choose a pathway; either NMEC or Deemed. Sites enrolled in Pop-NMEC or Site-NMEC are not eligible for Deemed rebates. While all three pathways are available for all three customer types, the Program's approaches are outlined below:

- Medium and Large Grocery: Primarily Pop-NMEC with some Deemed offerings for sites ineligible for NMEC
- Food Storage: Primarily Site-NMEC with some Deemed offerings for sites ineligible for NMEC
- Small Facility (such as restaurants and convenience stores) and HTR: Primarily Pop-NMEC with some Deemed offerings for sites ineligible for NMEC

The AESC Team will start enrolling Aggregators at Program Ramp-up, no later than the week of March 31, 2025.

Upon enrollment, Enrolled Aggregators may start submitting project applications. Within a few months, the Program is expected to have a healthy number of Enrolled Aggregators and a steady flow of eligibility checks, project value estimations, and project enrollments. This steady state will continue until December 31, 2027, which serves as the deadline for all projects to be installed and operational.

Customer Acquisition Process

If a Customer wishes to participate in the GRFS Program but does not already have an Enrolled Aggregator that they are working with, the AESC Team will provide resources and materials for Customers to connect with Enrolled Aggregators.

Customers will primarily learn about the GRFS Program through direct Enrolled Aggregator outreach.

Enrolled Aggregators. During their regular sales cycles, Enrolled Aggregators will reach out to Customers offering products and services that qualify for the Program, including an offer that makes GRFS Program enrollment enticing.

Refrigerated Warehouse Customers: Refrigerated storage Customers may receive outreach directly from the AESC Team.

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Customers may also email the AESC Team to dive deeper into their specific project and needs. Ultimately, the Program will direct customers to the Enrolled Aggregator list or provide introductions to multiple Enrolled Aggregators upon the Customer's written request and consent to share their information. Details regarding the Customer's journey and enrollment process can be found in the Customer Journey section of the GRFS Program's Policies and Procedures Manual.

Program Services and Tools

The AESC Team will provide the following services and tools through the GRFS Program:

- Engage, educate, and enroll Aggregators to identify and implement cost-effective EE projects in targeted markets.
- Increase Customer awareness of the Program through direct outreach to and coordination with industry associations to identify projects and generate Program referrals for the Enrolled Aggregator network.
- Use targeted data to initially prequalify Pop-NMEC eligible sites and create a centralized database of potential Customers, which will be prioritized based on energy use in targeted markets and regions.
- Perform targeted outreach to each of the three Customer types.
- Provide Enrolled Aggregators with training and support throughout the project enrollment, approval, and measurement and verification (M&V) process.
- Provide Enrolled Aggregators with no-cost access to tools that determine site eligibility, project TSB, and incentive value estimation, along with visibility into M&V and payment and incentive statuses.
- Enroll select projects for Site-NMEC that meet the minimum cost-effectiveness threshold and can bring significant savings to the Program, but would not qualify for Pop-NMEC.
- Offer a turnkey installation model to serve smaller Customers in a more cost-effective manner.
- Provide information on SDG&E's On Bill Financing (OBF) options to participating Customers.
- Review all project applications, pre- and post-installation, and issue incentive letters and M&V performance period notification letters to Enrolled Aggregators.
- Track Enrolled Aggregators' projects and update TSB, Aggregator payments, and kWh, kW and therm forecasts based on latest data.
- Pay Enrolled Aggregator incentives or rebates based on delivered TSB.
- Manage the incentive forecast, update an Enrolled Aggregator-accessible funding tracker, and provide regular funding updates through Aggregator newsletters and/or communications.

The range of services, products and tools provided by the Enrolled Aggregators is diverse. They have full flexibility to propose services, tools, or interventions to Customers to encourage adoption, effectuate consumption changes, and manage energy. Enrolled Aggregators are

DRAFT

responsible for identifying, selling, contracting, and implementing qualified projects for their customers. To mitigate risk for Customers, all Aggregators that wish to participate in the GRFS Program and offer incentives to Customers must enroll by signing the Participating Aggregator Agreement (PAA).

4. Program Design and Best Practices

General Program Design and Approach

The GRFS Program primarily uses a Pop-NMEC approach, supplemented by Site-NMEC and Deemed rebates, and leverages Enrolled Aggregators to identify, enroll, and install projects at Customer sites.

Program incentives and Deemed rebates are calculated using TSB and are specifically designed to drive increased participation in Customer groups within all three of the savings pathways. Incentives and rebates are paid to Enrolled Aggregators, who have market flexibility to leverage forecasted NMEC savings or Deemed funding values, and stack eligible incentives and financing, to structure project proposals based on Customer needs and preferences.

Designed to use a primarily pay-for-performance approach, Enrolled Aggregators are paid based on actual savings for Pop-NMEC and Site-NMEC pathways. The Pop-NMEC approach and TSB performance based-payments will maximize available incentives and result in cost effective TSB.

Program Design flowcharts are found in the Supporting Documents section, which include Program Theory and Logic Model, Process Flow Chart, and Diagram of Program.

Strategies and Tactics

Marketing and outreach strategies are designed to raise Program awareness and provide targeted value propositions to address the unique barriers and opportunities of the segments served. While Enrolled Aggregators will have the primary responsibility for direct Customer sales and project delivery, the Program will prime the market through awareness and marketing campaigns.

AESC will analyze SDG&E Customer data as a foundational approach to marketing efforts. This will confirm the size of the total available markets for each Customer type, the percentage that needs to be served to achieve TSB goals, and marketing and outreach strategies and budgets.

Additional information on the marketing and outreach approach can be found in the Marketing Plan included as a Supporting Document within the Program Manual.

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Table 3: Market Barriers and Program Strategies

Perceived Market Barriers	Program Strategies and Alignment With SDG&E Portfolio Goals
One size fits all program designs favor large customers in resource programs and result in non-cost-effective direct install programs for small and HTR customers. New TSB program metrics require a strategic targeted customer and measure approach.	The flexible, multiple channel program offering is tailored to meet diverse customer needs while achieving a cost-effective mixed portfolio, balancing an aggregator-driven measured savings solution for larger customers and direct install approach for small customers. Data-informed targeting will be used to segment Customers into Program delivery channels and to target lower performing, high load customers.
Eroded Claimable Savings Traditional Deemed and Custom Incentives have become too low to incent many of the best projects in the grocery and chain account markets relative to other capital priorities.	Meter-based program approaches value energy efficiency and load flexibility to meet grid needs, streamline program delivery, increase claimable savings, and capture stranded savings.
Low Grocery Margins The competitive grocery segment has low margins and limited capital competing for projects. Customers cherry pick only the best return on investment (ROI) measures or invest in non-energy initiatives.	Pop-NMEC and Site-Based NMEC pathways encourage implementation of comprehensive measure packages that increase claimable savings through capturing stranded to-code projects. TSB-based incentives reward high load factors of refrigeration systems and operating hours of the grocery sector, resulting in more measures meeting customer economic investment thresholds.
Small Customer Lack of Awareness and Capacity - Small groceries and restaurants typically lack awareness of energy opportunities, lack access to capital, and lack internal resources to manage project implementation.	Pop-NMEC Focused Direct Install Offering: By offering a higher incentive rate/TSB for small HTR customers, the program will enable no-copay and low-copay direct install services for high-TRC and high-TSB value measures under a meter-based (versus a traditional deemed) approach.
High Transaction Costs and a lack of easy-to-use, utility-aligned calculators and tools reduce aggregator participation in the market.	AESC's Suite of Streamlined Project Calculators and Tools in Praxis, our existing end-to-end project and program software platform currently in use in multiple utility jurisdictions, reduce transaction costs for project development, application submittal, and administrative processing.

Best Practices

The Program adopts several key best practices for the NMEC project pathways. Firstly, measuring, and paying upon, verified savings at the meter rather than engineering estimates.

Secondly, providing ongoing access to site-level performance so Enrolled Aggregators can address any performance issues outright to realize maximum savings and support continued Customer engagement. Lastly, balancing cost effectiveness requirements and Enrolled Aggregator risk by considering cost-effectiveness (e.g. TRCNoAdmin) ratios when approving and enrolling projects.

The availability of Deemed measures will make the Program more accessible for small and HTR Customers to participate. Deemed rebate values are based on CET-generated TSB rather than measured kWh and/or therm savings.

The key Program strategies and tactics to reduce barriers for Program participation are:

- Reducing technical and administrative barriers associated with traditional, custom, and Site-NMEC project development pathways.
- Matching Customers with Enrolled Aggregators who are best-equipped to meet their needs, and tying those needs to grid-optimized solutions (as valued in the avoided cost calculator (ACC) adopted by the CPUC).
- Leveraging a key benefit of Pop-NMEC programs - the inclusion of to-code savings opportunities to reduce “stranded” savings opportunities.

5. Innovation

The GRFS Program incorporates several innovations to encourage increased Program participation, cost effectiveness, program impacts and Program delivery efficiency.

- Enrolled Aggregator Incentive Model: Shifting Program incentive funding into Aggregator incentives gives Enrolled Aggregators latitude to structure proposals, services, and financing creatively to meet Customer needs.
    - The AESC Team will track the number of Aggregators enrolled in the program and the number of Customers and projects served throughout the territory by those Aggregators.
- Turnkey Installation for Smaller Projects: The turnkey model to serve smaller customers in a more cost-effective manner.
    - The AESC Team will track Customer data (location, size, DAC, HTR, customer type, etc.).
- AESC Praxis Platform: AESC’s Praxis M&V platform offers innovative features that improve Program accuracy, efficiency, and cost effectiveness while enabling additional fuel switching and sites with solar to participate.
    - Praxis will be used to efficiently manage Enrolled Aggregators’ projects; Aggregator and Customer surveys will track satisfaction with the provided tools.
- Strategic Marketing Partnerships and Lead Referrals: The Program will coordinate project referrals with the California Food Service Instant Rebates program and SDG&E’s non-residential behavioral program to enable a more unified Customer experience and increase claimable savings for SDG&E while minimizing overlap and preventing double dipping.

DRAFT

    - The AESC Team will document any outreach to other relevant programs, coordinate with SDG&E to avoid potential overlap, and review all incoming projects to avoid double dipping.
- Inclusion of Refrigerant Benefits: AESC will develop integrated approaches to energy and hydrofluorocarbon (HFC) management through measures that capture both energy and HFC reduction value.
    - The AESC Team collects, reviews and approves the Refrigerant Avoided Cost Calculated (RACC) for all projects with refrigerant benefits. The dollar values from the RACC by project are included in the CET reports.
- CalNEXT Emerging Technology Tech Transfer: The Program will identify and include CalNEXT-identified market-ready high impact emerging technologies for GRFS target Customers.
    - The AESC Team will track the number of CalNEXT technologies that result in post-installation approved project(s).

6. Pilots

This section is not applicable.

7. Workforce Education and Training

The GRFS Program does not include a direct workforce education and training component.

8. Workforce Standards

General Workforce Standards

Aggregators that join the GRFS Program will adhere to all requirements for workforce standards established by the CPUC in D.18-10-008. Program design requires that participating customers comply with D.18-10-008 workforce standards with their staff or through contractors they hire. Projects will be screened for 100% compliance with D.18-10-008. The following standards are applicable to HVAC and Advanced Lighting Control Energy Efficiency Programs or Projects.

Workforce Standards for Heating, Ventilation, and Air Conditioning (HVAC)

For all projects completed through the GRFS Program and for each measure, installed, modified, or maintained in a non-residential setting where the project is seeking an energy efficiency incentive of $3,000 or more, AESC shall ensure that each worker or technician involved in the project meets at least one of the following criteria:

i. Completed an accredited HVAC apprenticeship.

ii. Is enrolled in an accredited HVAC apprenticeship.

iii. Completed at least five years of work experience at the journey level according to the Department of Industrial Relations definition, Title 8, Section 205, of the California Code

DRAFT

of Regulations, passed a practical and written HVAC system installation competency test, and received credentialed training specific to the installation of the technology being installed.

iv. Has a C-20 HVAC contractor license issued by the California Contractor's State Licensing Board.

Advanced Lighting Control Programs or Projects

For all projects completed through the GRFS Program and for each measure, installed in a non-residential setting where the advanced lighting control project is seeking an energy efficiency incentive of $2,000 or more, AESC shall ensure that all workers or technicians involved in the project are certified by the California Advanced Lighting Controls Training Program.

9. Disadvantaged Worker Plan

AESC will report quarterly on how the Program provides job access for disadvantaged workers and/or provides opportunities for this community.

The GRFS Program will be delivered by recruited and Enrolled Aggregators. As the Program is open to participation by any qualified Aggregators who agree to the terms and conditions of the Aggregator Participation Agreement, there are opportunities to create and facilitate jobs and career opportunities for disadvantaged workers. The program will seek to recruit Aggregators located in SDG&E's Disadvantaged Communities, who are more likely to employ disadvantaged workers.

10. Market Access Programs

The program leverages meter-based pathways with a focus on Population-NMEC (Pop-NMEC) with Site-Based NMEC (Site-NMEC) with Deemed rebates also available. Project delivery is supported through Subcontracted Aggregator(s) with assigned goals supplemented by limited enrollment for additional trade allies and Aggregators serving SDG&E's market to leverage all pathways to reach the Program's TSB goals.

SDG&E has segmented its portfolio to provide a single point of entry for Customers, in an effort to limit Customer confusion and avoid direct competition and duplication of program offerings.

The AESC Team will work with SDG&E, and other third party and local government programs to maximize resource efficiency and ensure there are no lost opportunities for energy savings. This type of coordination also helps leverage marketing and administrative costs across the various programs presenting a coordinated message to SDG&E customers. In cases where other programs or opportunities may overlap or conflict, the Program will coordinate with the GRFS Program PA. Projects will be screened for double-dip participation during the pre-installation review process.

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11. Additional information

No additional information.

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Supporting Documents

1. Program Manuals and Program Rules

A Program Manual containing rules for participation is provided with this Implementation Plan and will be integrated into the AESC GRFS Program website once established.

[Program Manual Documentation Attached]

2. Program Theory and Program Logic Model

Figure 1 below depicts the GRFS Program logic model diagram, showing the connections between Program goals and objectives, activities, and the short-term, intermediate-term- and long-term outcomes.

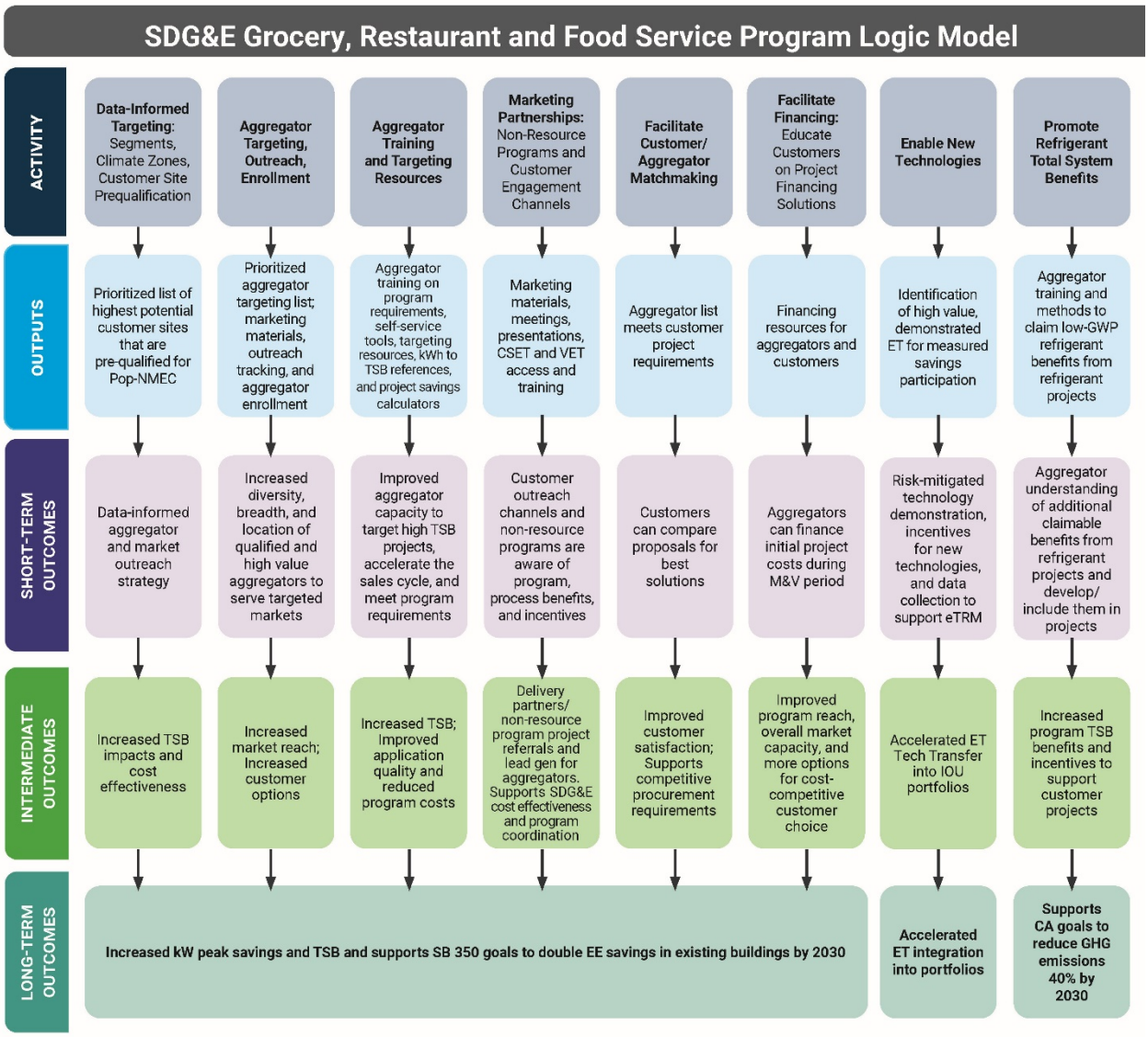

Figure 1: GRFS Program Logic Model Diagram

3. Process Flow Chart

The following graphic illustrates the process flow for the GRFS Program for the Enrolled Aggregators and the AESC Team.

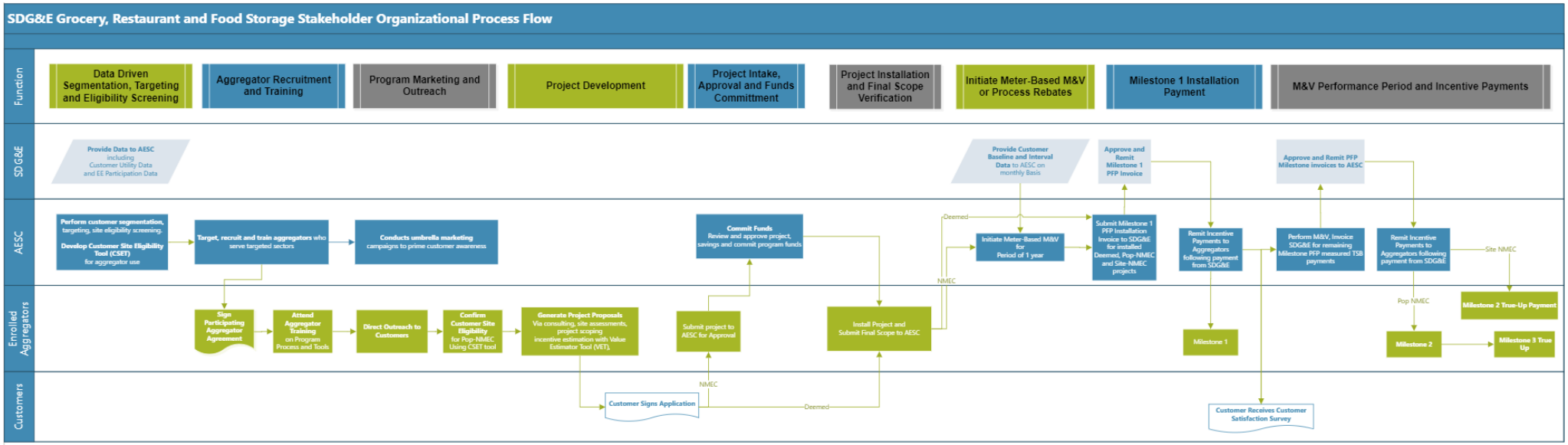

Figure 2: GRFS Process Flow Chart

4. Measures and Incentives

The GRFS Program has three savings pathways: Pop-NMEC, Site-NMEC and Deemed.

For the meter-based savings claims (Pop-NMEC and Site-NMEC approaches), savings are measured at the whole-building level. Thus, any measure that reduces energy use is qualified, including to-code, Industry Standard Practice, expired measures, custom measures (accelerated replacement, add-on equipment, weatherization, behavioral, retrocommissioning (RCx), and operational (BRO)), and Deemed measures. New construction and added load measures are not allowed.

The table below outlines the anticipated load shape distribution and the percentage of the TSB each provides at this distribution.

Table 4: Anticipated Load Shape and Use Category

Savings Impact Load Shape (E3MeaElecEndUseShape)	TSB ($)	Percent of Total TSB
DEER:HVAC_Chillers	$6,160,543.96	76%
DEER:HVAC_Split-Package_AC	$511,969.73	6%
DEER:Indoor_CFL_Ltg	$1,237,140.87	15%
DEER:Indoor_Non-CFL_Ltg	$153,668.57	2%

The prescriptive measure pathway will use Deemed savings and will not claim any to-code savings. The approved Deemed measure list with associated measure package codes is attached to the Program Manual as a supplemental document. Deemed rebates are paid to Aggregators and incentive levels vary by project.

In accordance with Public Utilities Code (“PUC”) Section 399.4 (b) (1) and (2), the recipient of a rebate or incentive offered by a public utility for energy efficiency improvements or installations of energy efficient components, equipment, or appliances, the public utility shall provide the incentive or rebate only if the incentive recipient, the Aggregator, certifies the improvement or installation complies with applicable permitting requirements, including any applicable specifications or requirements set forth in the California Building Standards Code (Title 24 of the California Code of Regulations), and, if a Aggregator performed the installation or improvements, the Aggregator holds the appropriate license for the work performed.

The M&V Plan within the attached Program Manual outlines NMEC incentives and describes the approach and associated software tools for calculating actual payable and claimable savings for the NMEC projects.

The AESC Team will provide tools to check eligibility, estimate benefits and incentives, perform M&V, and track project savings and incentives.

Upon project completion and final approval, all meter-based energy savings will be measured, tracked, and recorded in AESC’s software platform, Praxis. Measured savings and the basis of payable savings uses whole building International Performance Measurement and Verification Protocol (IPMVP) Option C methods to calculate Avoided Energy Use. Praxis will be used for all

regression modeling, tracking, and reporting of kW, kWh, and therm impacts for Pop-NMEC and Site-NMEC projects. In both meter-based approaches, Praxis will analyze and assess multiple models to identify the best fit, but the approach will vary between the two paths. The M&V Plan within the Program Manual provides details on M&V calculation and approach.

5. Diagram of Program

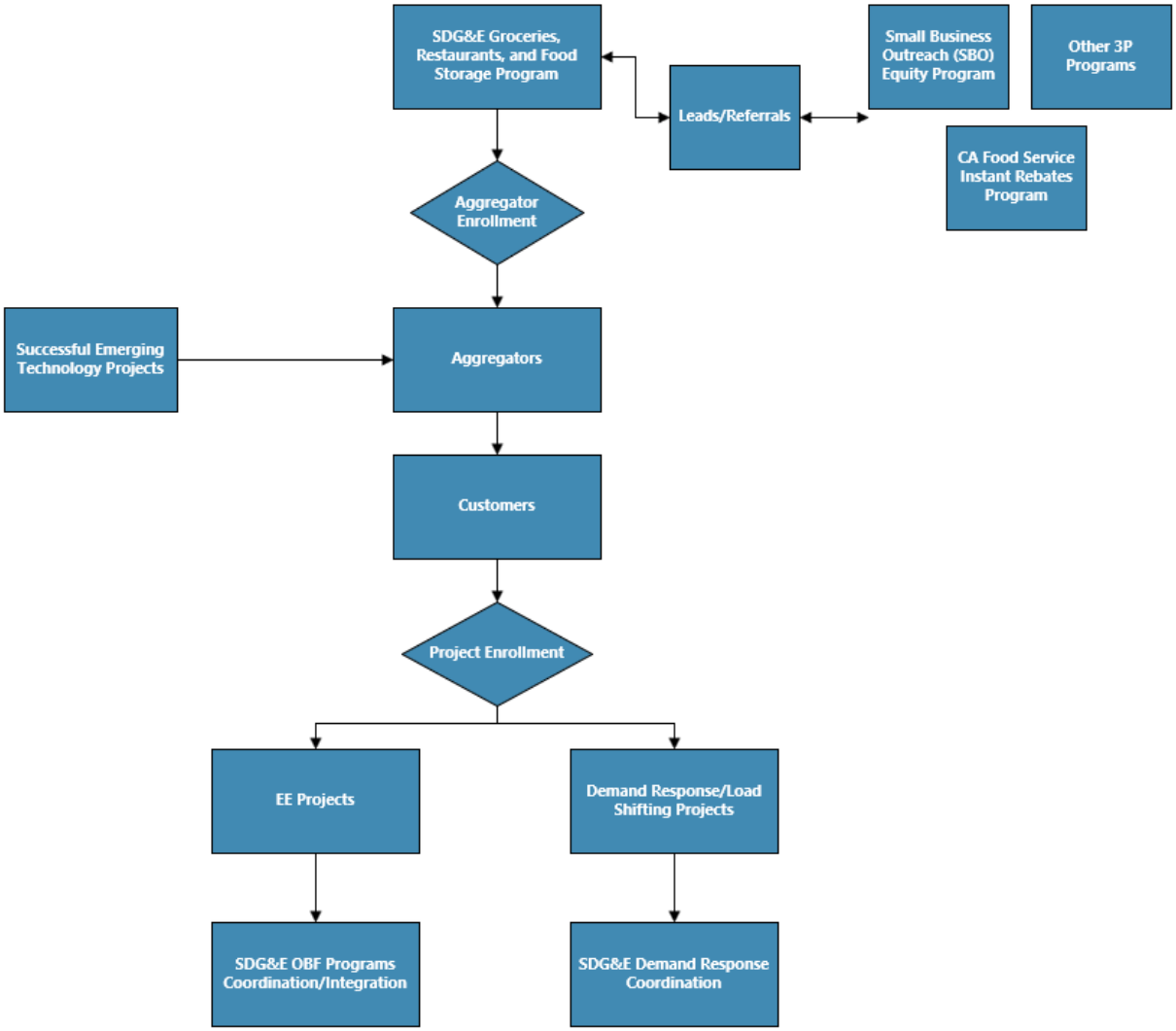

Figure 3. GFRS Program Diagram

6. Evaluation, Measurement & Verification (EM&V)

As requested, AESC will support EM&V or other evaluation efforts. The M&V Plan within the Program Manual provides detail on M&V calculation and approach.

7. Normalized Metered Energy Consumption (NMEC)

The GRFS Program NMEC M&V Plan is provided within the attached Program Manual.

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Appendix A – Deemed Program Measure List

Measure ID	Measure Name
SWCR001	Anti-Sweat Heater Controls
SWCR002	Low-Temperature Display Case Doors With No Anti-Sweat Heaters
SWCR003	Fan Motor Retrofit for a Refrigerated Display Case
SWCR007	Floating Head Pressure Controls, Multiplex
SWCR008	Floating Suction Controls, Multiplex
SWCR010	Bare Suction Line Insulation
SWCR012	Compressor Retrofit, Multiplex
SWCR014	Medium or Low-Temperature Display Case
SWCR015	Medium-Temperature Case Doors
SWCR017	Ultra-Low Temperature Freezer
SWCR018	Reach-In Refrigerator or Freezer, Commercial
SWCR019	Low-Temperature Coffin To Reach-In Display Case Conversion
SWCR020	Medium-Temperature Open Display Case Retrofit
SWCR021	Medium or Low-Temperature Display Case With Doors
SWCR022	Efficient Adiabatic Condenser
SWFS001	Convection Oven, Commercial
SWFS002	Door-Type Dishwasher, Commercial
SWFS003	Combination Oven, Commercial
SWFS004	Griddle, Commercial
SWFS005	Steamer, Commercial
SWFS006	Ice Machine, Commercial
SWFS007	Insulated Hot Food Holding Cabinet
SWFS008	Conveyor Oven, Gas, Commercial
SWFS009	Deck Oven, Electric, Commercial
SWFS010	Commercial Hand-Wrap Machine, Electric
SWFS011	Fryer, Commercial
SWFS012	Exhaust Hood Demand Controlled Ventilation, Commercial
SWFS013	Low-Flow Pre-Rinse Spray Valve
SWFS014	Rack Oven, Gas, Commercial
SWFS016	Refrigerated Chef Base
SWFS017	Automatic Conveyor Broiler, Commercial
SWFS018	Undercounter Dishwasher, Commercial
SWFS019	Underfired Broiler, Commercial
SWFS021	Fryer, Commercial, Fuel Substitution
SWFS022	Convection Oven, Commercial, Fuel Substitution
SWFS023	Contact Conveyor Toaster, Commercial

DRAFT

SWFS024	Hot Food Holding Bins, Commercial
SWFS025	Radiant Conveyor Toaster, Commercial
SWFS026	Cooktop, Commercial
SWFS027	Soup Well, Electric, Commercial
SWFS028	Steam Table, Electric, Commercial
SWFS029	Rotisserie, Gas, Commercial
SWFS030	Pressure Fryer, Commercial
SWHC004	Space Heating Boiler, Commercial
SWHC005	Water-Cooled Chiller
SWHC006	Demand Control Ventilation for Single Zone HVAC
SWHC008	Variable Speed Drive for a Central Plant System
SWHC009	Supply Fan Controls, Commercial
SWHC011	Furnace, Commercial
SWHC014	Unitary Air-Cooled Air Conditioner or Heat Pump, Under 65 kBtu/hr, Commercial
SWHC018	VSD for HVAC Fan Controls, Commercial
SWHC020	Air-Cooled Screw Chiller, Path A
SWHC023	Enhanced Ventilation for Packaged HVAC
SWHC024	Cogged V-Belt for HVAC Fan, Commercial
SWHC027	Package Terminal Air Conditioner or Heat Pump, Under 24 kBtu/hr
SWHC041	Software-Controlled Switch Reluctance Motor
SWHC042	Evaporative Pre-Cooler System and Controls for Packaged HVAC Unit
SWHC043	Multiple Capacity Unitary Air-Cooled Commercial Air Conditioners Between 65 and 240 kBtu/hr
SWHC046	Packaged Heat Pump Air Conditioner Commercial, Fuel Substitution
SWHC048	Packaged Air Conditioner Heat Recovery, Commercial
SWHC058	Patio Heater, Gas, Commercial
SWLG020	UL Type B LED Mogul Base Lamp HID Retrofits for Outdoor Area/Pole and Decorative Fixtures
SWWH006	Tankless Water Heater, Commercial
SWWH007	Storage Water Heater, Commercial
SWWH015	Demand Control for Centralized Water Heater Recirculation Pump, Commercial
SWWH027	Heat Pump Water Heater, Commercial, Fuel Substitution
SWWH028	Large Heat Pump Water Heater, Commercial and Multifamily, Fuel Substitution
SWWH031	Heat Pump Water Heater, Commercial

DRAFT

Groceries, Restaurants, and Food Storage Program

Program Manuals

Policies and Procedures Manual
Quality Assurance Plan
Marketing Plan
Measurement and Verification Plan

San Diego Gas and Electric

DRAFT Version 1.0

Updated: February 27, 2025

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Table of Contents

DRAFT

DRAFT

DRAFT

Definitions

Advanced Metering Infrastructure (AMI) Data: Meter interval data used for baselining and performance tracking. AMI data is provided in hourly intervals for electric and daily intervals for gas.

Aggregator Portal: Implementer-provided, password-protected website providing Aggregators Program resources and links to tools, including application checklists, eligibility tools, project value estimator tool, and application platform, once available.

Online Application Portal (interchangeable with **"Application Platform"** throughout Program Manual): Implementer's centralized, cloud-based portal for Aggregators to submit and track project application materials.

Avoided Costs: Avoided costs refers to the incremental costs avoided by the investor-owned utility when it purchases power from qualifying facilities, implements demand-side management, such as EE or demand-response programs, or otherwise defers or avoids generation from existing/new utility supply-side investments or energy purchases in the market. Avoided costs also encompass the deferral or avoidance of transmission and distribution-related costs. (D.08-01-006)

Behavioral, Retro-commissioning, and Operational (BRO) Measures: The BRO category includes measures that either restore or improve EE and can be reasonably expected to produce multi-year savings. BRO measures include information or educational programs that influence energy-related practices (behavioral), activities and installations that restore equipment performance to its nominal efficiency (i.e., rated, intended, or original efficiency (retro-commissioning)) but do not enhance the measure's nominal efficiency, and measures that improve the efficient operation of installed equipment (operational). (Statewide Deemed Workpaper Rulebook 2019)

Community Choice Aggregators ("CCAs"): Organizations created by local governments pursuant to Assembly Bill 117 for procuring power and administering energy efficiency programs on behalf of local citizens.

Cost Effectiveness: An indicator of the relative performance or economic attractiveness of any EE investment or practice when compared to the costs of energy produced and delivered in the absence of such an investment.

Customer: Any person or entity that pays an electric and/or gas bill to SDG&E and that is the ultimate consumer of goods and services including energy efficiency products, services, or practices.

Customer Participation Information: Information that is collected by the Program in support of the Customer participating in the Program.

Customer Sector: Residential, Commercial, Industrial, Agricultural, and Public.

Customer Segment/Sub-segment: Grouping of like customers within an individual Customer sector based on the North American Industry Classification System ("NAICS") code or business type

Customer Site Eligibility Tool (CSET): Implementer's Tool used to identify if a site meets Program requirements including CV(RMSE), data sufficiency, and lack of Program double dip.

Day: Unless otherwise specified, reference to a "day" means a calendar day.

Demand Response ("DR"): Demand Response is short-term changes in electricity usage by end-use customers from their normal consumption patterns. Demand response may be in response to:

- changes in the price of electricity; or
- participation in programs or services designed to modify electricity use; or
- in response to wholesale market prices, or
- when system reliability is jeopardized.

Disadvantaged Communities (DAC): Pursuant to Section 39711 of the Health and Safety Code, the California Environmental Protection Agency ("CalEPA") developed a means for identifying disadvantaged communities, which may include, but are not limited to 1) Areas disproportionately affected by environmental pollution and other hazards that can lead to negative public health effects, exposure, or environmental degradation, and/or 2) Areas with concentrations of people that are of low income, high unemployment, low levels of homeownership, high rent burden, sensitive populations, or low levels of educational attainment. Specific DAC criteria is as follows:

- Census tracts with the highest 25% of overall scores in CalEnviroScreen 4.0, or
- Census tracts with the highest 5% of pollution burden indicator scores in CalEnviroScreen 4.0 and that also do not have an overall score, or
- Census tracts designated as DACs by CalEPA in 2017 using CalEnviroScreen 3.0, or
- Lands under federally recognized tribes

Double Dipping: This term is applied when a Customer receives financial incentives from multiple CPUC-funded energy efficiency programs and the corresponding energy savings and/or TSB are reported multiple times to the CPUC for the same activity.

Effective Useful Life ("EUL"): An estimate of the median number of years that the measures installed under the program are still in place and operable. For the GRFS Program, project TSB will be based on weighted EUL, which is the average of EUL of all measures installed at the site weighted by Energy Savings for each of the measures.

Energy Efficiency ("EE"): Activities or programs that stimulate customers to reduce Customer energy use by making investments in more efficient equipment or controls that reduce energy use while maintaining a comparable level of service as perceived by the Customer.

Energy Efficiency Collaboration Platform ("EECP"): SDG&E's reporting and tracking platform used for documentation of energy efficiency projects, documenting customer interactions and workflow for customer service resolution.

Energy Savings: The level of reduced energy use (or savings) resulting from the installation of an energy efficiency measure or the adoption of an energy efficiency practice, subject to the condition that the level of service after the investment is made is comparable to the baseline level of service. The level of service may be expressed in such ways as the volume of a refrigerator, temperature levels, production output of a manufacturing facility, or lighting level per square foot.

Enrolled Aggregator (generically interchangeable with "Aggregator") – Trade professional, contractor, or project developer who has signed an agreement with the GRFS Program to identify and enroll customers to implement energy efficiency projects that will be measured in the GRFS Program. Enrolled Aggregators receive incentive payments for the Customers' projects.

Evaluation, Measurement and Verification ("EM&V"): Activities that evaluate, monitor, measure and verify performance or other aspects of EE programs or their market environment.
Ex-Ante Savings: Estimated savings values calculated based on assumptions prior to the evaluation of the portfolio cycle. These savings reflect the IOU reported savings, which are trued up with final evaluation.
Fuel Substitution: Fuel substitution measures involve projects where all or a portion of the existing energy use is converted from one CPUC-regulated fuel to another CPUC-regulated fuel (e.g., conversion from a natural gas appliance to an electric appliance).
Gross Savings: Gross savings count the energy savings from installed energy efficiency measures irrespective of whether or not those savings are from free riders, i.e., those Customers who would have installed the measure(s) even without the financial incentives offered under the program. Gross savings are adjusted by a net-to-gross ratio to produce net savings, that is, to remove the savings associated with free riders.
Implementation Plan ("IP"): A detailed description of a program that includes program theory and design, goals and budgets, logic models, planned processes, program activities and EM&V, and program performance metrics, developed by Program Administrators and stakeholders to detail program and implementation strategies required by the CPUC.
Install or Installation: The activities necessary to effectuate a project, which may include development, construction, installation, implementation, or other activity necessary to effectuate a Measure, and may include removal of or reconfiguration of a facility or of certain existing equipment.
Integrated Demand Side Management ("IDSM"): Energy efficiency, energy conservation, demand response, advanced metering, and distributed generation technologies are offered as elements of an integrated solution that supports energy and carbon reduction goals immediately, and eventually water and other resource conservation goals in the future.
Investor-Owned Utilities ("IOUs"): Refers to either of the following entities - Pacific Gas and Electric Company, Southern California Edison Company, Southern California Gas Company, and San Diego Gas & Electric Company.
Lifecycle Summer Peak kW: EUL* Summer Peak kW, where Summer Peak kW is during the summer peak period of 4 p.m. to 9 p.m., June 1 and September 30.
Market Barrier: Any characteristic of the market for an energy-related product, service, or practice that helps to explain the gap between the actual level of investment in, or practice of, energy efficiency and an increased level that would appear to be cost-beneficial.
Measure: An energy using appliance, equipment, control system, or practice whose installation or implementation results in reduced energy use (purchased from the distribution utility) which maintaining a comparable or higher level of energy service as perceived by the Customer. In all cases energy efficiency measures decrease the amount of energy used to provide a specific service or to accomplish a specific amount of work (e.g., kWh per cubic foot of a refrigerator held at a specific temperature, therms per gallon of hot water at a specific temperature, etc.). For the purpose of these rules, solar-powered, non-generating technologies are eligible energy efficiency measures (Decision 09-12-022, OP 1).
Measure Package: Documentation prepared by the program administrators or program implementers that documents the data, methodologies, and rationale used to develop ex-ante

estimates that are not already fully contained in the Electronic Technical Reference Manual (eTRM).

Measurement & Verification ("M&V"): Data collection, monitoring and analysis activities associated with the calculation of gross energy and peak demand savings from individual Customer sites or projects.

Meter-based: A platform/ruleset that quantifies energy savings and/or TSB through analysis of a site's normalized metered energy consumption and can be substantiated to a specific time and geographic location.

Net Savings: Program savings exclusive of free ridership savings. Net savings is calculated by multiplying gross savings by the net to gross ratio.

Net-to-Gross Ratio: The savings attributable to a program realized when free ridership is accounted for. The savings are calculated by multiplying the gross savings by the net to gross ratio.

Non-Routine Event (NRE): Non-program related material change in energy usage (e.g. permanent or extensive building occupancy change, added cooling or heating loads, changes in building size).

Normalized Metered Energy Consumption ("NMEC"): A method of calculating savings using statistical analyses of actual pre- and post-installation energy usage data, rather than engineering analyses of forecasted savings or application of prescriptive (deemed) values.

On-Bill Financing ("OBF"): A financing opportunity offered by SDG&Ethat provides zero percent (0%) interest loans to qualified Customers toward the purchase and installation of new energy efficient measures or equipment at the Customer's premises.

Program Portfolio: All projects that the AESC Team delivers to the GRFS Program.

Program Cohort: For purposes of FSU calculation, Program cohort consists of all the projects that GRFS installs within the calendar year.

Praxis Platform ("Praxis"): Implementer's tool to track savings and TSB estimation, perform project and portfolio M&V, calculates and enables approval of EULs, kW, kWh, and therms savings, and track incentive payments.

Program Logic Model: The graphical representation of the program theory showing the flow between activities, their outputs, and subsequent short-term, intermediate, and long-term outcomes. Often the logic model is displayed with these elements in boxes and the assumed causal relationship is shown by arrows connecting the boxes.

Program Net Lifecycle Energy Savings: At the measure level, the term "lifecycle savings" refers to the savings over the measure life, not only a single year. Net savings are the portion of the full (or "gross") energy savings a participant sees after installing an EE measure that would not have happened in the absence of the program. A program's lifecycle net energy savings comprise the sum of the lifecycle savings of all installed.

Project: A Customer project that is implemented by the Program.

Program Year(s): The calendar year(s) during which the program operates.

Quarterly Aggregator Cohort (QAC): Used in terms of grouping project payments for Population-based projects, a group of projects that started M&V during the same year and quarter. True-up Incentive Payments and Aggregator Payments are capped at 120% of forecasted TSB.

Service Area/Territory: The geographical area served by the Program.

Statewide Program ("SW"): Program delivered uniformly through the four investor-owned utility (IOU) territories, overseen by a single lead program administrator, and designed and delivered by one or more EE program implementers.
Subcontracted Aggregator: Installers who, at a minimum, meet AESC's subcontractor agreement that includes AESC's contractual flow downs.
Total Resource Cost Test ("TRC"): The TRC test measures the net resource benefits from the perspective of all ratepayers by combining the net benefits of the program to participants and non-participants. The benefits are the avoided costs of the supply-side resources avoided or deferred. The TRC costs encompass the cost of the measures/equipment installed and the costs incurred by the program administrator.
Total Resource Cost Ratio No Admin ("TRCRatioNoAdmin"): The TRCRatioNoAdmin is calculated by dividing avoided cost benefits (Electric Benefits + Gas Benefits + Avoided Gas Infrastructure Costs + Refrigerant Leakage Benefits) by TRCCostNoAdmin. The TRCCostNoAdmin is the TRC Cost excluding all program costs (e.g., admin, marketing, and direct implementation non-incentive). The TRCRatioNoAdmin metric is used for measuring the Program's and projects' Cost Effectiveness Performance.
Total System Benefit ("TSB"): The sum of the benefit, in dollars, of the lifecycle energy, capacity, and GHG benefits of energy efficiency, expressed on an annual basis.
Value Estimation Tool (VET): Implementer's tool used to calculate the estimated weighted EUL, TSB, and TRCRatioNoAdmin and incentive for entered projects.

1 Policies & Procedures Manual

Program Overview and Objectives

The San Diego Gas and Electric (SDG&E) Groceries, Restaurants and Food Storage Program ("GRFS Program" or "Program") delivered by Alternative Energy Systems Consulting (AESC) is a downstream commercial retrofit resource acquisition program that leverages meter-based pathways with a focus on Population-NMEC (Pop-NMEC) with Site-Based NMEC (Site-NMEC) with Deemed rebates also available. Project delivery is supported through Subcontracted Aggregator(s) with assigned goals supplemented by limited enrollment for additional trade allies and Aggregators serving SDG&E's market to leverage all pathways to reach the Program's TSB goals.

The Program offers a multi-channel delivery approach and targets the following three market sectors tailored to address the diverse needs of the market.

1. Medium and Large Grocery: Primarily Pop-NMEC with Deemed offerings for sites ineligible for NMEC
2. Food Storage: Primarily Site-NMEC with Deemed offerings for sites ineligible for NMEC
3. Small Facility and HTR: Primarily Pop-NMEC with Deemed offerings for sites ineligible for NMEC

AESC has subcontracted with Taper Solutions (Taper) as the primary Subcontracted Aggregator, ASK Energy (ASK), and Claudius Lynne LLC (Claudius Lynne) to support Program implementation. Collectively these partners are the "AESC Team."

The GRFS Program's Enrolled Aggregators (including Subcontracted Aggregator(s)) are responsible for identifying and enrolling eligible Customers to deliver Total System Benefit (TSB). They will work with the AESC Team to:

- Confirm estimated TSB.
- Receive payments based on measured TSB via the CEDARS Cost-effectiveness Tool (CET) or an approved prescriptive measure list (for Deemed pathways).

The Program's objective is to deliver cost-effective TSB.

Customer sites must choose a single savings pathway (Pop-NMEC, Site-NMEC, or Deemed); sites enrolled in a measured savings pathway (NMEC) are not eligible for Deemed rebates.

Roles and Responsibilities

A description of each party's role is shown in the table below.

Table 1 GRFS Program Roles and Responsibilities

Role	Responsibilities
Program Administrator: SDG&E	An SDG&E Program Advisor (PA) will manage the Implementer as required by the CPUC to include, but not limited to: • Implementer oversight; and • Implementer management, payments, any necessary corrective action, and monitoring elevated customer service complaints; and • Review of Implementer performance and their Authorized Program performance to include progress on Program's Key Performance Indicators (KPIs), cost-effectiveness, TSB goal attainment, budget adherence, and timely delivery of reporting requirements and other identified deliverables; and • Assisting the coordination of the Implementer's Authorized Program with other applicable Program opportunities available to enable a customer to achieve optimal benefits, including participation in non-EE programs (e.g., Self-Generation Incentive Program (SGIP) and Demand Response (DR)); and • Monitoring the administration of the Implementer's Authorized Program for compliance with SDG&E 3P EE Program portfolio requirements; and • Managing any potential overlap that may arise between EE 3P Statewide Programs and 3P EE Programs that are local to SDG&E's service territory, including Regional Energy Networks (RENs) Programs.
Implementer: AESC	AESC, as the prime contract holder, is responsible for all aspects of Program design, subcontractor oversight, budget management, Program tracking database and reporting, development, and implementation, which includes Aggregator recruitment and management, pipeline development, technical reviews, software support and development, M&V, and incentive payments. AESC relies on its partners (ASK Energy, Taper, and Claudius Lynne, collectively the "AESC Team") to support the Program with various aspects of implementation, including but not limited to pipeline development, technical reviews, M&V, and incentive payment calculations. The AESC Team has final responsibility to document, track, and resolve all customer issues related to implementing this Program and shall work to provide continuous improvements in the Program to promote overall Customer satisfaction.

Enrolled Aggregators	Enrolled Aggregators have responsibility for identifying, selling, contracting, and implementing qualifying projects with their Customers. In some cases, the Program may provide customer referrals to Aggregators. To mitigate risk for Customers, only Aggregators enrolled with the Program (Enrolled Aggregators) may offer the GRFS Program incentives to Customers. The Enrolled Aggregator is responsible for: • Identifying/Screening opportunities at Customer sites. • Preparing and submitting the project scope of work and other required documentation to the AESC Team. • Verifying measures, completing, and submitting project installation documentation. • Preparing and submitting the final project scope of work and other required documentation to the AESC Team. • Ensuring that all required project documentation is submitted correctly and responding to any concerns in the project review. • Receiving incentive payments. • Performance of employees and subcontractors. • Adhering to terms of the Participating Aggregator Agreement (PAA) with Implementer. • Following the terms of the M&V Plan. • Resolving Customer complaints. • Warranties and production guarantees. • Obtaining and maintaining appropriately credentialed and licensed staff. Further, the Enrolled Aggregator typically: • Holds the agreement (contract) with the Customer. • Hires any project installation contractors required for installation while maintaining responsibility for ensuring the quality of every project and its installation.
Customer	An eligible ratepayer and potential participant of program who receives electric and/or gas service from SDG&E and pays into the Public Purpose Program (PPP) surcharge.

Program Coordination

To best serve SDG&E Customers, the AESC Team will collaborate with SDG&E and other third party/local government programs, to maximize efficiency and prevent lost energy-saving opportunities. This type of coordination also helps leverage marketing and administrative costs across the various programs presenting a coordinated message to SDG&E customers. In cases

where other programs or opportunities may overlap or conflict, the AESC Team will coordinate with the SDG&E GRFS Program Advisor (PA). Projects will be screened for double-dip participation prior to being enrolled in the Program.

1.1.1 Coordination Activities

Typical situations where the AESC Team will coordinate closely with the SDG&E PA and other SDG&E program offerings may include:

- The Customer does not meet Program eligibility requirements. In this case the Program may confer with the SDG&E PA to have the opportunity (re)assigned.
- The Customer may fall within the eligibility scope of multiple programs, requiring a 'best fit' assessment by SDG&E staff.
- The Program gauges the Customer's energy goals go beyond the Program's scope and therefore merits the introduction of a compatible program offering a different approach.

In the case of program overlap or for the benefit of Customer satisfaction, the Program will coordinate with CCAs, RENs, and other Program Administrators. The Program has identified the following organizations that may need coordination.

- Center for Sustainable Energy (CSE)
- Clean Energy Alliance (CEA)
- SoCalGas - California Food Service Instant Rebates Program
- San Diego Community Power (SDCP)
- San Diego Regional Energy Network
- SD Clean Power (SDCP)
- State of California - GoGreen Financing

1.1.2 SDG&E On-Bill Financing Coordination

The AESC Team will work with SDG&E to identify opportunities for pairing On-Bill Financing and On-Bill Repayment with the Program, and as deemed reasonable, will address Customer capital concerns and enable Program participation by offering financing mechanisms, including SDG&E's On-Bill Financing and On-Bill Repayment options.

Program Implementation Schedule and Key Deliverables

Table 2 below shows the basic dates of the GRFS Program Implementation Schedule.

Table 2 GRFS Program Implementation Schedule

Phase	Key Deliverable(s) / Milestone(s)	Dates/Duration
Launch	• Implementation Plan • Program Manuals • Program Materials	January 27, 2025 – April 4, 2025

	• Date Program is Available for Aggregator Enrollment	
Program Ramp Up	• Marketing Plan Implemented • Pipeline Development	April 2025
Program Steady State	• TSB enrollment and M&V	April 2025 – December 2027*
Program Ramp Down / Transition	• Program Ramp-Down Plan • Date Program is No Longer Available for new Customers	January 2028 – December 2028*
M&V	Complete M&V	December 31, 2028*
Program Closeout	Final Invoice and Reports	March 31, 2029*

*Dates subject to change with possible Program extension for additional implementation year.

Program Shutdown

The Program shutdown section includes ramp down activities necessary to ensure a successful transition or conclusion of the Program.

Table 3 Program Closeout Activities

Program Stage	Activities
Ramp Down/Transition	• If Program funding is no longer available, the AESC Team will notify Enrolled Aggregators in writing that the Program is being shut down. • Following direction by SDG&E PA, develop and provide a Shutdown Plan with procedures on shutting down the Program. Submit draft Shutdown Plan 30 days prior to the beginning of the shutdown period and final Shutdown Plan within 60 days of Program shutdown. The plan will consider all services that must be completed, including identifying schedule and cut-off dates for project installation and project completion of committed projects, close out communications, project incentive payments, post-installation monitoring, and a Program Shut-Down notification to be delivered to Customers. • If necessary and requested by SDG&E, include within the Shutdown Plan a Transition Plan detailing the steps required to successfully transfer the Program, including a list of projects to transition to a program determined by SDG&E, and a Program Transition notification to be delivered to customers. • Stop all marketing efforts. • Develop draft closeout communication for approval by SDG&E. • Issue closeout communication.

Program Closeout	• Issue final payments to Enrolled Aggregators • Submit final invoices • Submit Final Program Report within 60 days of the end of the Program

Additionally, all Program operations, including customer service, shall be curtailed after the last day of the Program performance period.

General Process and Coordination

1.1.3 The Main Parties

The Program involves four key participants:

1. **Enrolled Aggregators**: Trade professionals, contractors, or project developers who have signed an agreement with the GRFS Program to identify and enroll Customers to implement energy efficiency projects. Enrolled Aggregators (including Subcontracted Aggregators) receive incentive payments for the Customers' projects.
2. **Program Administrator (SDG&E)**: SDG&E administers the GRFS Program and is tasked with Implementer oversight, including approving projects, payments, necessary corrective action, Program compliance, and managing any overlap between EE 3P Statewide Programs and EE 3P Programs.
3. **Implementer (AESC Team)**: The GRFS Program is designed and implemented by AESC with the support of three subcontractors: ASK Energy, Taper Solutions, and Claudius Lynne, LLC. The AESC Team is responsible for all aspects of the Program, including design, subcontractor oversight, budget management, technical reviews, M&V, and incentive payments.
4. **Customer:** An eligible ratepayer and potential participant of the Program, who receives electric and/or gas service from SDG&E and pays into the Public Purpose Program (PPP) surcharge. Customers work with Enrolled Aggregators to participate in the Program.

1.1.4 Program Process and Timelines

The AESC Team will start enrolling Aggregators at Program Ramp-up, no later than the week of March 31, 2025.

Upon enrollment, Enrolled Aggregators may start submitting project applications. Within a few months, the Program is expected to have a healthy number of Enrolled Aggregators and a steady flow of eligibility checks, project value estimations, and project enrollments. This Steady State will continue until December 31, 2027, which serves as the deadline for all projects to be installed and operational.

View the GRFS Program Lifecycle Flowchart included in the Implementation Plan to see a visual representation of the interaction between the main parties throughout the GRFS Program lifecycle.

1.1.5 Customer Journey

If a Customer wishes to participate in the GRFS Program but does not already have an Enrolled Aggregator that they are working with, the AESC Team will provide resources and materials for Customers to connect with Enrolled Aggregators. The following shows the journey in which the Customer can engage with the Program.

1. Customers will primarily learn about the GRFS Program through direct Enrolled Aggregator outreach.

   Enrolled Aggregators. During their regular sales cycles, Enrolled Aggregators will reach out to Customers offering products and services that qualify for the Program, including an offer that makes GRFS Program enrollment enticing.

   Refrigerated Warehouse Customers: Refrigerated storage Customers may receive outreach directly from the AESC Team.

2. Customers may also email the AESC Team to dive deeper into their specific project and needs. Ultimately, the Program will direct Customers to the Enrolled Aggregator list or provide introductions to multiple Enrolled Aggregators upon the Customer's written request and consent to share their information.
3. Once a Customer is connected to an Enrolled Aggregator, the Enrolled Aggregator will determine the Customer's eligibility (using the Customer Site Eligibility Tool), prepare a scope of work for the Customer, and determine the estimated incentive (using the Value Estimator Tool), and present that to the Customer for approval.
4. The Customer will sign the Customer Project Application confirming they will abide by GRFS Program requirements.
5. For NMEC projects, the Enrolled Aggregator will submit the Project Application Package to the AESC Team for review and approval. Once approved, the Enrolled Aggregator will order equipment and schedule an installation date with the Customer.
6. The Enrolled Aggregator will complete the installation, and the Customer will confirm the project is installed as expected and will sign and date the scope of work.
7. The Enrolled Aggregator will submit the Post-Installation Package, including the final signed scope of work, to the AESC Team for review and approval. The AESC Team will issue a Performance Period Notification Letter (PPNL), which will outline the M&V start and end dates.
8. During the 12-month M&V period, the Enrolled Aggregator will have access to each project in their portfolio to track performance. Should issues arise, the Enrolled Aggregator may reach out to the Customer to identify the issue, document the situation for the Program (as

required) and make any fixes necessary to bring building performance, energy savings, and incentives back inline. The Customer is encouraged to proactively reach out to the Enrolled Aggregator as issues are identified to be remediated as quickly as possible.

9. For Deemed projects, the Enrolled Aggregator will submit project documentation upon installation completion for a single review and approval. Rebates will be paid to the Aggregator after project approval.

The incentive flow down to Customers will vary by Enrolled Aggregator since each Enrolled Aggregator will create their own approach for using the incentives to buy-down project costs.

1.1.6 Program Coordination with other EE Programs and PAs

The GRFS Program will coordinate with other SDG&E and 3P, EE Programs, Non-Resource Programs, LGPs, Emerging Technology Programs, and PAs in different capacities. The Program Diagram located within the GRFS Program Implementation Manual provides a visual description of the interactions that are expected to occur between the GRFS Program and other programs.

1.1.6.1 Leads and Referrals

The AESC Team may work with various third-party programs (e.g. CCAs. LGPs, 3P Programs, SGIP, etc.) to coordinate leads and referrals between programs. If a project does not fit within the GRFS Program eligibility requirements or there is overlap of application between programs, the AESC Team will work with the SDG&E PA to facilitate coordination as necessary. The intent is to promote synergies between SDG&E programs and maximize overall SDG&E program participation, regardless of implementer.

1.1.6.2 Emerging Technology Programs

The AESC Team will leverage relationships and studies performed through the CalNEXT program to identify and encourage manufacturers/distributors of market-ready technologies. Manufacturers/distributors with positive CalNEXT results will be invited to enroll as Aggregators, or to encourage their trade pro network to enroll as Aggregators so their technologies can be offered to GRFS Program Customers and integrated into the Program.

1.1.6.3 OBF and OBR

The AESC Team and SDG&E will determine the best path for combining GRFS Program incentives and SDG&E On-Bill Financing (OBF) and On-Bill Repayment (OBR). Once logistics are finalized, both paths will be offered. All projects that opt for financing through SDG&E OBF or OBR will adhere to applicable OBF/OBR program requirements

1.1.6.4 Demand Response

Customer sites may participate in both the GRFS Program and a separate Demand Response (DR) program. To qualify for Dual Enrollment, the following conditions must be met:

1. GRFS Program Enrolled Aggregators agree that the site may participate in DR events during the energy efficiency measurement period.
2. GRFS Enrolled Aggregators must disclose any separate Demand Response program participation during enrollment for each site.
3. Participation in the GRFS Program does not hinder or violate the Enrolled Aggregator's obligations to deliver DR resources in other markets (programs, CAISO, contracts, etc.).

Dual participation requires timely information about called events and reliable transfer of this data. The Enrolled Aggregator of a site or sites enrolled in both the GRFS Program and a DR program will be subject to different requirements depending on which party provides the data. The two types of Enrolled Aggregator requirements are listed below:

- **Type 1: Dual Participation in SDG&E DR Programs in which SDG&E has Agreed to Transfer Event Data** -- For SDG&E DR programs, SDG&E may elect to send event data for certain programs each month, in which case event data would no longer be required from Aggregators for these programs. Aggregators will be notified if this occurs.

- **Type 2: Dual Participation in a DR or CAISO Program for Which Data is Not Provided by SDG&E** -- For scenarios in which AESC is not receiving event data from SDG&E, Aggregators must complete the onboarding process before enrollment and comply with the following additional requirements:

    1. GRFS Program Enrolled Aggregator completes the onboarding process for event data submittal, demonstrating ability to provide the program with event data required in the specified format. This must be completed before any Dually Participating site is enrolled.
    2. GRFS Program Enrolled Aggregator provides all participating event data, timestamped, and in the specified format for each site within 15 days following the end of the previous month. If no events have occurred, Aggregator must submit the same event data template, confirming that there have been no events.
    3. GRFS Program Enrolled Aggregator attests to the accuracy and completeness of the submitted event data. The event data may be audited in the future.

Failure to provide this information accurately, in the specified format, or in the timeframe specified may result in delay of payment until the following payment period and suspension from the GRFS Program.

By default, event days from Demand Response programs will be blacked out from M&V and GRFS Program payment.

Eligibility

The AESC Team will have the authority to determine project, measure, and Aggregator eligibility. In cases where the Program policies may not resolve the situation or an exception may be considered, the AESC Team will present to SDG&E and receive approval prior to action. In addition to the eligibility requirements below, the eligibility rules in the most recently released version of the CPUC NMEC Rulebook also apply.[1]

1.1.7 Aggregator Eligibility and Enrollment Forms

Aggregator eligibility and enrollment requirements are outlined below.

1.1.7.1 Enrolled Aggregators

To enroll and participate in the GRFS Program, Aggregators must:

- Sign and follow the requirements defined by the AESC Team in the Participating Aggregator Agreement (PAA), including any licensure, credentials, and/or workforce standards applicable to the project types they propose implementing.
- Provide an up to date, signed W-9.
- Provide 2-3 company contacts who will have access to the AESC's Program Tools and Automated Application Portal. Information must include:
    - Name
    - Email
- Attend live, online Aggregator Training or view pre-recorded Aggregator Training, which covers programmatic information, requirements for participation, and details on the process. Aggregator will need to verify, via email, that they have viewed the training before becoming an Enrolled Aggregator and are provided with AESC's Implementation Tools.
- (Optional) If the Enrolled Aggregator wishes to have their company listed on AESC's GRFS Program website, provide a company logo to AESC Team along with contract information (point of contact name, email and/or phone).

The PAA details all terms and conditions required from Aggregators to participate in the GRFS Program and captures the commitment between AESC and the Aggregator that allows for Program participation. This includes insurance requirements and will be signed by the Aggregator and AESC.

1.1.7.2 Subcontracted Aggregator(s)

Enrolled Aggregators who wish to receive SDG&E Customer data or require data beyond what is available to Enrolled Aggregators will need to become a Subcontracted Aggregator. If Aggregators are enrolling as a Subcontracted Aggregator, then the following additional requirements will need to be met:

[1] https://www.cpuc.ca.gov/-/media/cpuc-website/files/legacyfiles/n/6442463694-nmec-rulebook2-0.pdf

- Sign and follow the requirements defined by AESC in the Subcontracted Aggregator Agreement (SAA), which in addition to all of the PAA terms and conditions, includes all SDG&E contractual flow-down terms and conditions.
- Meet AESC's identified security requirements, as outlined in the SAA.
- Provide a Certificate of Insurance listing AESC and SDG&E as additional insured and meets the cyber requirements listed in the SAA.

While Subcontracted Aggregators will need to take the Enrolled Aggregator training, AESC may provide a "training fast track" option that will allow them to engage with Customers prior to the availability of the training.

1.1.7.3 Regulatory Workforce Standards Requirements

CPUC workforce standards will apply based on scope of work for each project and will comply with CPUC mandates. For projects that trigger CPUC workforce standards, appropriate documentation will be collected prior to final project installation approval. Detailed regulatory and general workforce requirements will be included within the Participating Aggregator Agreement and Customer Project Application.

1.1.8 Customer and Project Eligibility

General Customer eligibility requirements include the following:

1. Customer must pay the Public Purpose Program (PPP) surcharge on the account where the energy efficiency equipment is to be installed;
2. SDG&E will provide a list of approved Customers in the grocery, restaurant and food storage sectors that are eligible for participation in this Program.
3. The Program Marketing Plan includes a list of targeted market sectors and associated NAICS codes in section 3.1.4.

For Deemed Projects, site eligibility requirements include the following:

1. Project site must be in SDG&E's service territory
2. Project site must be an existing commercial building (i.e., no new construction)
3. Project site may be either bundled (i.e., receiving electric generation service from SDG&E) or unbundled (i.e., receiving electric generation service from a Community Choice Aggregator). Direct Access customers are eligible if they meet all other eligibility requirements.
4. All Deemed rebate project applications must be received by December 31, of the year the project is installed in order to be eligible for rebates.

For NMEC projects, all requirements above plus those listed below apply:

1. All participating Customer sites with onsite generation must utilize the methods outlined in the non-IOU fuel source guidance for calculating claimable savings.

2. Project site must have 12 consecutive months of historical energy usage data available, under the same Customer (e.g. if change in tenant or a new account at the site, then project may not be eligible).
3. Project site may not participate in any other CPUC ratepayer-funded energy efficiency incentive or rebate program while also participating in the GRFS Program.
4. Project site may not have participated in a CPUC ratepayer-funded EE program in the 12 months prior to project implementation, unless approved on a case-by-case basis by SDG&E and AESC. In such cases, sufficient data must be available to make a baseline adjustment to account for savings from the previously implemented measure(s).
5. Model fit must meet the following requirements for Coefficient of the Variation of the Root Mean Square Error [CV(RMSE)] and Fractional Savings Uncertainty (FSU) by pathway:
    - For Population NMEC Projects:
        - CV(RMSE)<0.5 for sites with max demand > 1000 kW
        - CV(RMSE)<1.0 for sites with max demand < 1000 kW
    - Population-level projects do not have a strict FSU criterion, but FSU may be considered for eligibility at AESC's discretion.[2]
    - For Site NMEC Projects: CV(RMSE) < 0.25, greater than 10% savings at the meter, and an FSU that is less than 50% at 90% confidence.
6. If the Customer has onsite solar system, installation of the system must have been completed at least 12 months prior to the GRFS Program intervention, or a baseline adjustment that reconstructs whole-building load using solar inverter data must be made available. Sites with onsite solar systems will be subject to a more rigorous eligibility process and AESC will accept projects on a case-by-case basis.
7. Projects will be screened for cost effectiveness (TRCNoAdmin ractio). The AESC team may approve or reject project applications based on cost effectiveness.

Enrolled Aggregators should raise any questions or concerns about Customer eligibility with the AESC Team. Inquiries may be reviewed and approved by SDG&E.

1.1.9 Double-Dipping Prevention

Projects receiving incentives or claiming savings through the GRFS Program must not also receive incentives (i.e. double-dip) or claim savings (i.e., double-count) for the same interventions through any other energy efficiency program, regardless of program channel (e.g., downstream, midstream, or upstream), provider (e.g. other utilities, the California Energy Commission, or the California Public Utilities Commission), or platform (e.g. deemed, custom, meter-based) offering, with the exception of SDG&E's OBF and DR programs[3]. An upstream program shall mean any program in which SDG&E pays an incentive to a product retailer, distributor, or manufacturer to buy-down the cost of the product to the end-use customer.

[2] To manage the population FSU and meet NMEC Rulebook requirements, Population-level projects may be screened by FSU if the project is large (baseline usage greater than 10% of the program population) and/or has estimated savings less than 10% of the project baseline. Eligible FSU is at AESC's discretion.
[3] California Public Utilities Commission, May 16, 2002, D.02-05-046: Interim Opinion Selecting 2002-03 Local Energy Efficiency Programs.

Additionally, Customers and Enrolled Aggregators may not offer incentives for new energy-saving products that replace equipment which previously received incentives through any other energy efficiency program, either for the life of the original product, or for a period of 5 years from the receipt of the original incentive, whichever is less.

To check for double-dip, AESC will integrate SDG&E-provided EE Program Participation data within the CSET and provide results based on whether the site is flagged.

1.1.10 Measure Eligibility

For projects using an NMEC pathway, the GRFS Program will measure savings at the whole-building level. Any measure that reduces energy use is qualified for the program, including to-code, Industry Standard Practice, SDG&E expired measures, custom measures (accelerated replacement, add-on equipment, weatherization, behavioral, retrocommissioning (RCx), and operational (BRO)), and deemed measures. New construction and added load measures are not allowable.

The GRFS Program can support electrification and load shifting strategies under certain guidelines that comply with the GRFS Program's cost-effectiveness and modeling requirements. For specifics on measure eligibility, see the GRFS Program M&V Plan.

The AESC Team may assess the eligibility of any potential Customer's projects using data and guidance provided by SDG&E. If the AESC Team and Enrolled Aggregator seek exceptions to any of the eligibility criteria, the AESC Team will present the request to the SDG&E PA, who will ultimately determine whether the Customer may participate. If the exception is granted, SDG&E will provide written approval for any projects which conflict with eligibility criteria. Enrolled Aggregators will document installed measures and will provide that information as part of their reporting.

For the Deemed pathway, all eligible measures are outlined in the Deemed measure list (included as an attachment with the Implementation Plan and will be made available to Enrolled Aggregators). The AESC team may review and update the Deemed rebate list throughout the lifecycle of the Program.

1.1.11 Project Targeting

The GRFS Program may use SDG&E data to target Customers with the best potential to bring TSB to the Program.

1.1.11.1 Customer Targeting

The AESC Team will analyze SDG&E AMI data to identify potential eligible Customers for the GRFS Program. Data will be screened by baseline kWh, and therms, and cross-referenced by eligibility criteria to result in a list of promising, pre-qualified Customers. Once determined, the AESC Team or Subcontracted Aggregator(s) may reach out to these Customers to raise program awareness and elicit interest. From there, the Customer can follow the journey outlined in Section 1.8.3.

1.1.11.2 Population-NMEC Screening

Customers must meet CV(RMSE) and data requirements outlined in the GRFS Program M&V Plan.

1.1.11.3 Site-NMEC Screening

Projects may be screened for Site-NMEC fit and selected on a case-by-case basis. Prime candidates for Site-NMEC pathway may include projects where the site is too large to be effective within a Pop-NMEC program, do not meet Pop-NMEC eligibility requirements, or where a granular profile (GP) has not been adequately defined. See eligibility requirements for Site-NMEC in the GRFS Program M&V Plan.

Project Enrollment (Pre-Intervention) Process

Once officially enrolled in the Program, Enrolled Aggregators can utilize AESC's tools and Online Application Portal to submit projects for application (pre-intervention) and review. This process is to enroll NMEC projects within the GRFS Program and, if approved by the AESC Team and SDG&E, will result in the project being issued an Incentive Reservation Letter (IRL), reserving incentives and permitting the Enrolled Aggregator to proceed with the installation. All incentive funds are reserved on a "first-come, first-served" basis.

1.1.12 Program Implementation Tools

AESC's Implementation Tools and Praxis platform will be available to Enrolled Aggregators who are enrolling NMEC projects in order to:

- Confirm Customer eligibility using historical data, model fit, address, double-dip data, and other factors that may contribute to customer ineligibility.
- Estimate TSB value, TRC, and estimated incentive for each project.
- Track building performance by analyzing utility bill data for buildings, defining building characteristics, creating a portfolio or population of buildings for the Program, and tracking energy performance over time as projects are implemented and measured.
- Generate Program Documents such as applications and reports.
- Perform Measurement & Verification of completed projects using the pre-approved method meeting the requirements of the population-based NMEC savings methodology.

1.1.13 Customer and Project Enrollment

1.1.13.1 Deemed Projects

Deemed rebate applications will be accepted. The application form will outline all the expected requirements to ensure complete and accurate applications are submitted. Deemed rebate applications are typically submitted and reviewed once the project is installed; however, the Program will allow a pre-installation review of the application to ensure the proposed project will meet the Program requirements of the Deemed rebate as detailed in the GRFS Program M&V

Plan and measure requirements detailed in the approved measure package in eTRM. Additional information regarding Deemed rebate application process can be found in the included QA Plan.

1.1.13.2 NMEC Pathway Projects

Before the project is permitted to install, Enrolled Aggregators must enroll their Customer's projects, so that incentives may be reserved within the GRFS Program's pipeline. Enrolled Aggregators enroll projects by submitting the Project Application Package to the AESC Team. Enrolled Aggregators submitting projects must include the following within the Project Application Package:

1. Contact information for their company
2. Contact information for the Customer being enrolled
3. Project information (such as forecasted savings) for electric and gas (if applicable), including savings calculations
4. Preliminary Scope of Work
5. Preliminary Pricing documentation
6. CSET Result or verification of eligibility via email from AESC Team[4]
7. VET result to determine forecasted TSB and TRCNoAdmin[5]
8. Existing Equipment performance Specifications
9. Signed Customer Project Application, including release of Customer data sharing with Aggregator and the AESC Team[6]
10. For site-specific projects, Project Feasibility Study with Site-Level M&V Plan

Note: The AESC Team maintains and makes available an "Application Checklist" for Enrolled Aggregator's use. The Application Checklist may be updated more frequently than this document and should be used as the best source of information regarding application requirements.

Upon completion of the project enrollment form, the AESC Team will review and verify that the enrollment is complete. The GRFS Program Quality Assurance (QA) Plan shows more detail on the AESC Team's review. The review is focused on ensuring that Customers are receiving reasonable estimates of savings potential, Enrolled Aggregators are appropriately applying the effective useful life, and that the AESC Team and SDG&E can have confidence in forecasted impacts and manage performance payment budgets. If the review is not passed, the AESC Team will review the results with the Enrolled Aggregator to resolve any issues identified.

The AESC Team will issue an IRL if approved or notify the Enrolled Aggregator that their projects are rejected or subject to additional review. Approved projects will be added to the submitting Enrolled Aggregator's portfolio of projects by the AESC Team. Upon approval, the

[4] Prior to availability of the CSET for Aggregators, Aggregator will work with AESC to determine site's eligibility.
[5] Prior to availability of the VET for Aggregators, Aggregator will work with AESC for VET/CET result to determine estimated forecasted incentive amount.
[6] This release will be requirement within the Customer Project Application and is necessary to share Praxis M&V Tool access to track Aggregator portfolio performance during the M&V period.

AESC Team will reserve 120% of the estimated incentive value from the GRFS Program budget. The reservation of 120% (or other SDG&E-approved percent) of the forecasted project value ensures that incentive funding will be available for the installed project, in the case of overperformance.

Incentive reservations expire 180 calendar days from the date the IRL was issued, and as such project installations and related commissioning must complete within this time. Enrolled Aggregators will notify the AESC Team of any project scope or project timeline change/extension needed following issuance of the IRL. Extensions are considered on a case-by-case and not guaranteed.

After the IRL is issued and up to the point of equipment purchase (as evidenced by a dated invoice and final scope of work), projects may be declined or adjusted at the discretion of the AESC Team or SDG&E if any project attribute is determined to have been inaccurate at the time of project approval, up to the point of equipment purchase. After equipment purchase, project attributes, including avoided cost values, measure EULs, and all other factors that go into the calculation of TSB, will be locked in for the duration of project installation unless the attribute data supplied is determined to be inaccurate.

NMEC Project Enrollment (Post-Intervention) Process

Once installed, the Enrolled Aggregator will submit a post-intervention package to the AESC Team for review by AESC team. Projects may be inspected on-site by the AESC team per the terms of the Program's QA Plan. If an installed project does not pass a QA inspection, the Aggregator will be alerted by the AESC Team and will be expected to rectify the issue as specified in the Aggregator Agreement before it can begin M&V. The Program QA Plan shows more detail on the AESC Team's review process. If approved, the project will be issued a Performance Period Notification Letter (PPNL), indicating the project has been successfully installed and has now started the M&V Performance Period.

1.1.14 Project Post-Intervention Documentation Requirements

Once the project has installed and is fully commissioned, the Enrolled Aggregator will need to submit a post-intervention package. This may include, but is not limited to:

- Final geotagged project photos, verifying equipment installation
- Specifications for installed equipment
- Final Project Cost Documentation
- Final Scope of Work, signed by Customer
- Incentive Recipient Certification of Contractor Licenses and Permits Form
- Final CET result
- Revised Energy Calculations (for projects wherein the scope of work and energy savings estimates changed from the pre-installation package)
- Short-term Trend Data for RCx measures with over 20% savings
- Contractor Certification of HVAC Permits and License Form
- For site-specific projects, Post-Intervention Report

1.1.14.1 Final Scope of Work

Implementation and installation of the project measures is considered complete only after the Enrolled Aggregator provides the Final Scope of Work to the AESC Team, signed by the Customer. The Final Scope of Work will affirm that installation activities have been completed and that the measures are installed and operating properly (as evidenced by supporting data and documentation), and ready to generate savings.

1.1.14.2 Geotagged Photos

Geotagged photos must include individual equipment nameplate(s) and sufficient evidence to verify measure counts installed. Such photographic evidence should reflect at least one picture of each equipment (e.g., each lightbulb wattage and fixture variation) type and space (e.g., hallway, office, meeting room, retail area, etc.).

1.1.14.3 Project Invoices

Project cost documentation shall be collected and included in the form of a final invoice upon project completion. Project cost documentation must be complete and accurate, including contractor invoices, internal hours, etc. Costs unrelated to the energy efficiency project cannot be included within reported costs.

1.1.14.4 Site Visits

Customer and Enrolled Aggregator agree that AESC Team, SDG&E, and/or the CPUC may perform an inspection of the installed measures at any point during the post-intervention and performance period.

1.1.15 Mid-Program Policy Changes

For NMEC projects, in order to protect Enrolled Aggregators and Customers from mid-program policy changes that could negatively impact project financials and viability, assigned measure EUL values and the Avoided Cost Calculator (ACC) version used to calculate TSB will remain constant for the lifecycle of a project, based on the final application values used to approve a project.

NMEC Project Tracking (M&V)

For NMEC projects, once the project is approved and a PPNL is issued for the project, the AESC Team will enter the project into AESC's Praxis Platform for M&V tracking. The AESC Team will monitor all projects for savings and compliance with program requirements. As described above, Aggregators will have no-cost access to AESC's Praxis Platform to track ongoing, meter-based performance of their portfolio. AESC's Praxis platform will track and report out kWh and Therms savings, and on a quarterly basis the TSB values (as determined by the CET) and associated estimated and/or approved incentive payments will be provided. Additionally, the AESC Team will upload required project details to SDG&E's EECP tool.

1.1.16 Energy Efficiency Collaboration Platform (EECP)

The AESC Team will use internal CRMs and SDG&E's EECP for project tracking and payments. AESC will be required to use the EECP for:

a. Creating an EECP Requirements and Integration Plan. AESC will collaborate with SDG&E to determine what Program data must be captured in the EECP.
b. Uploading Program enrollments into the EECP. AESC will upload application data as Customers enroll and participate.
c. Generating invoices and tracking Program budgets
d. Uploading Program reports
e. Reviewing the Double Dip report for potential GRFS Program Customers
f. Uploading project completion forms, including invoices/receipts, spec sheets, and all other supporting documentation.

1.1.17 Non-Routine Events

For projects following an NMEC pathway, the Enrolled Aggregator is required to notify the AESC Team of any situation in which a building enrolled in the Program has a non-program related material change in energy usage, known as a "non-routine event (NRE)". Examples of NREs may include material changes including, but not limited to:

- Changes to building size;
- Additions or subtractions of heating and cooling loads in the building;
- Addition or reduction of load, such as computers or data processing equipment;
- Longer or shorter operating hours, or material schedule changes; and/or
- Changes in building usage, such as converting lab space to office space.

The Enrolled Aggregator shall notify the AESC Team of NREs as soon as supporting information can be assembled and submitted. For all NREs, Aggregators shall submit to the AESC Team a detailed narrative describing the changes that occurred and the duration of the NRE including the following:

- Describe the change and its impact on energy usage;
- Identify the date the change occurred and expected length;
- Describe the systems that are likely impacted by the change;
- If changing equipment, either adding or subtracting, note the load (kW) of the existing equipment, and the new equipment, if appropriate.

Additionally, the AESC Team may review the interval data on a monthly basis and contact the Aggregator if the project is trending towards an NRE or is flagged as an NRE. If an NRE is verified, then the AESC Team will inform the Aggregator that the project will receive an NRE calculation adjustment. Please see the GRFS Program M&V Plan for the details of non-routine event identification methods and calculation.

1.1.18 Enrolled Aggregator Payments

1.1.18.1 Applicable Permitting Required for Payment

In accordance with Public Utilities Code ("PUC") Section 399.4 (b) (1) and (2), prior to receiving any Project Incentive payment, the recipient of the Incentive must certify the Project is complete and complied with applicable permitting and licensing requirements, any contractor performing such work was a licensed contractor. For HVAC Project measures, proof of the HVAC permit closure must also be provided with the required Project Certification.

1.1.18.2 Offered Incentives

Incentives will be paid solely to Enrolled Aggregators. For detailed information regarding Program incentives, please see the included GRFS Program M&V Plan.

1.1.18.3 Timing of Aggregator Payments

Timing of Enrolled Aggregator Payments will vary based on the project pathway and is outlined in the GRFS Program M&V Plan.

1.1.18.4 Aggregator Payment Audit Tracking

The AESC Team will document in an auditable manner the recommended payments to support Enrolled Aggregator invoices and submit to SDG&E once each project's post-installation package is approved, after each Quarterly Aggregator Cohort has reach 6 months of M&V, and again after each Quarterly Aggregator Cohort's M&V has completed. Payment recommendations will be based on savings as approved by SDG&E.

The AESC Team will document approved payment amounts, grouped by Quarterly Aggregator Cohort. Before Enrolled Aggregator payments are issued, documentation will be recorded within AESC's Praxis Platform, as well as SDG&E's EECP, and SDG&E will remit payment to AESC. Results will be reported to SDG&E for compliance with CPUC reporting requirements.

1.1.18.5 Payments for NRE Projects

If a site is flagged for NRE during the M&V period, then the final true-up payment will be adjusted based on whether the NRE-flagged projects go through the Pop-NMEC or Site-NMEC pathways.

1.1.18.5.1 NRE Treatment for Pop-NMEC

Ultimately, the AESC Team and SDG&E will determine whether and how project savings should be adjusted. If it is determined that metered savings results are invalid, the project savings for Aggregator payments will be estimated using a consistent transparent adjustment applied uniformly to all flagged projects. This value is based on the realization rate for the other projects (without non-routine events) in the Enrolled Aggregator's portfolio.[7]

[7] If the entire Aggregator's portfolio is subject to an NRE, the aggregator's portfolio will receive the program's realization rate and the aggregator's participation will be reviewed.

1.1.18.5.2 NRE Treatment for Site-NMEC

Site-NMEC will allow custom NRE adjustments to the baseline and performance periods when they are detected. Site-level NRE adjustments will be reviewed for during the M&V period and will be adjusted based on Site-Level M&V plans. Site-Level M&V Plans will be provided with project submission according to the requirements of the CPUC NMEC Rulebook and SDG&E M&V Requirements for Site-Level NMEC. AESC's Praxis Platform can be used to generate the Site-Level M&V plan template with baseline model development/predictability analysis based on Praxis generated information.

1.1.18.6 Repayment of Pre-payments

The AESC Team anticipates there may be situations in which incentive pre-payments issued will need to be repaid by Enrolled Aggregators. Some situations in which repayment may occur include, but are not limited to, a project not measuring greater than 50% of the TSB during the 12-month M&V period, or evidence surfacing during the M&V period that the project did not meet eligibility requirements. If a project requires repayment by the Aggregator on the incentive pre-payment, SDG&E and the AESC Team reserve the right to deduct the owed amount from the Aggregator's Quarterly Cohort payment or future Aggregator Quarterly Cohort payments until the amount is trued-up. If an Enrolled Aggregator does not have any other projects and the AESC Team is not able to recover the incentives before the end of the program, the AESC Team reserves the right to request the owed incentives back from the Aggregator.

Customer and Enrolled Aggregator Surveys

1.1.19 Satisfaction Surveys

On a quarterly basis, two distinct satisfaction surveys will be issued. One will be sent to Enrolled Aggregators, following each payment period, and the other to Customers following installation of their project. For the sake of efficiency, both satisfaction surveys will be sent at the same time, 14 days following the issuance of payments to Aggregator Quarterly Cohorts. A third survey will be sent annually.

1.1.19.1 Aggregator Surveys

An Enrolled Aggregator Satisfaction survey link will be emailed to all Enrolled Aggregators. Questions may change throughout the program but will be designed to elicit feedback on the AESC Team's services and tools and Aggregator perceived value in GRFS participation. An option will be provided within the survey to request outreach by the AESC Team with space for contact information if a response is desired. If disputes or complaints are documented within survey responses, then the AESC Team will log it within the Dispute Resolution log, which will be tracked regularly and included within the Quarterly Report. Additionally, if contact information is provided and Aggregator requests a response, then the AESC Team will reach out to the contact provided in the survey response.

1.1.19.2 Customer Surveys

A Customer Satisfaction survey link will be emailed to all Customers that had a project install during the last Aggregator quarterly cohort. Customer surveys will be similar in structure to Aggregators surveys, but with a means of providing feedback on the Enrolled Aggregator they worked with to install the project. As with Aggregator disputes and complaints logged in the survey responses, the AESC Team will log any complaints within the Dispute Resolution log, which will be tracked regularly and included within the Quarterly Report.

1.1.20 To Code Savings Compliance Surveys

On an annual basis at the end of each calendar year, a survey link will be sent out to all Enrolled Aggregators who have successfully installed a project enrolled in the GRFS Program, to address requirements in the Program M&V Plan. This survey is intended to collect feedback from Enrolled Aggregators and their contractors on code compliant equipment, market status, and GRFS Program influence.

Groceries, Restaurants, and Food Storage Program

Quality Assurance Plan

SDG&E

Version 1.0

Date: November 26, 2024

2 Quality Assurance Plan (QAP)

2.1 Introduction

2.1.1 Purpose

The QAP describes the strategy and methods used to ensure that the program:

- Produces high-quality outputs (quality control/quality assurance)
- Seeks to continuously improve itself (quality improvement)
- Satisfies customers (customer centric).

The information contained herein supplements any terms included in other portions of the Agreement, including Schedule A – Additional Terms and Conditions.

2.1.2 Background

AESC's SDG&E Groceries, Restaurants, and Food Storage Program is a comprehensive offering that leverages new meter-based program pathways, AESC's streamlined tools and calculators, and a delivery team with proven expertise in California third-party program management, measurement and verification (M&V), and targeted market project delivery. Through a focus on new Population-NMEC (Pop-NMEC) and existing Site-Based NMEC (Site-NMEC) pathways, the design leverages the cost effectiveness of larger projects to fund a direct-install style turnkey installation solution with higher incentive levels for smaller and/or hard-to-reach (HTR) customers.

Project delivery will be supported through strategically selected subcontracted aggregators with assigned goals who bring extensive experience in the targeted markets and with Pop-NMEC projects, while still offering an open marketplace for trade allies and aggregators serving SDG&E's market to leverage all program pathways to serve their customers.

2.2 Quality Assurance Mission Statement

AESC is committed to providing quality services that meet the performance, cost, and schedule requirements of our clients and customers. Our processes are established on practices, tools, and software that generate consistently reliable results. Our workflow management tools integrate fundamental management and communication techniques, technical processes, and tools into an approach focused on the quality of deliverables. AESC's team concentrates on continuous improvement of business processes, customer satisfaction, and continuous quality measurement of delivered services, while identifying opportunities for process improvements.

The success of AESC's programs and projects are made possible by adherence to proven quality standards and established QA methods that enable us to offer our clients:

Energy efficiency and sustainability programs that use mature, well-defined, and repeatable processes.
Use of proven measurement and verification (M&V) techniques.
Use of beneficial, cost-effective IT, data communications, and marketing tools and methodologies.

Consistency and transparency in both the methodology of analysis and the presentation of findings is critical if programs and projects are to achieve their objectives of meeting energy reduction goals or funding requirements. To that end, AESC uses integrated tools for use in collection, analysis, and presentation of building and energy data.

2.3 Quality Assurance Plan Purpose

AESC has developed this QA plan to demonstrate how our team will monitor, assess, and ensure adherence to processes, procedures, and standards to determine the quality and on-time delivery of all deliverables and services for the program. This plan will serve as the blueprint for maintaining consistent quality through all components of the project and in each task.

The QA plan documents the procedures by which the team assesses performance for all aspects of the program against contractual requirements. The plan describes the approach for activities, including program tracking and reporting, process reviews, program audits, project engineering analyses and reports, procedures, and techniques for implementing and sustaining overall quality for the program.

2.4 Quality Assurance Plan Scope

AESC has created a QA framework to form the basis of the complete quality management approach and strategy. The processes defined in the plan will be leveraged to implement quality into all aspects of performance. AESC's workflow management software will guide and track the process to ensure compliance in a transparent manner.

The objective of the QA plan is to describe the roles and responsibilities and the policies and procedures that ensure consistency and quality throughout the projects. The objective enables the QA team to achieve critical measurable results for the program, such as:

Predictable Results: The QA plan is to ensure that deliverables and services are produced in an efficient, effective, reliable, and predictable manner that will consistently produce results compliant with the contractual requirements of the program.

Error Prevention: The QA plan prevents the introduction of errors into deliverables and services. Any errors that are found undergo analysis and subsequent action to preclude reintroduction of the error. This aspect of the QA plan includes the structured approach to pursuing continuous improvement in all aspects of the program.

M&V Documentation: The QA plan ensures a structured approach to the defining, recording, and storing of documentation related to requirements, approvals, reviews, tests, decisions,

actions, events, and problems and improvement measures to support verification, validation, and traceability.

Customer Satisfaction: The QA plan ensures the customer is satisfied with program services and that issues are resolved promptly. Customer satisfaction surveys will be conducted so that participants may comment on the program and their participating aggregator. Surveys will be conducted by mail, email or by telephone. The results of the survey will be entered into the survey tracking tool.

Continuous Improvement: Feedback from all of the above is used in an ongoing effort to improve AESC's processes. Results from the survey will be quantified and shared with the program sponsor.

2.5 Quality Assurance Methodology

For each program or project, the QA team will be consulted on the approach to baseline operations and how measure implementation will be confirmed. Primarily, energy savings calculations will be based on the aggregator forecasted savings estimates using custom calculations, software, or eTRM measure package data.

The QA team will be apprised of the analysis approach. The use of QA Checklists will standardize the process such that the QA process can focus on examining the results versus the process. If the QA team identifies any reoccurring or significant issues during review, they will notify SDG&E within five business days.

When the energy savings analysis is completed for each project, the analysis will be independently reviewed by the QA team to confirm agreement with the savings estimates and approach to the savings estimates for the measures.

The review methodology will be established to examine processes against quality factors through the use of AESC's workflow management tools, such that the QA checks and results must be recorded for the project to move to the next stage. Examples of quality factors include:

- Correctness: The extent to which a deliverable satisfies the requirements and the stated objectives.
- Timeliness: The deliverable is provided when required.
- Reliability: The extent to which a deliverable is provided on a consistent basis.
- Productivity: The amount of resources to correctly produce the deliverable, including the relationship between the amounts of time needed to accomplish work and the effort expended.

Via the online database, AESC will maintain a clear record of all project findings, including on-site notes, building and equipment data, and operating characteristics. Secondary review of randomly selected projects will periodically check the QA process to ensure that:

- The QA process has been followed, verified by checking that all data and required checks are recorded.
- The project results are reasonable, verified by recalculating results using a secondary methodology such as engineering calculations.
- Project documentation is complete.

2.6 Initial Aggregator Engagement

AESC will record initial customer/aggregator engagement in standard CRM software. In addition to standard contact information, data may include energy consumption, facility size, location, and other project related information.

2.7 Project Eligibility Screening

Prior to development and submission of a complete project application, it is important to conduct an eligibility screening of a project to assess:

- Customer site eligibility
- Program influence
- Non-IOU Fuel Sources
- Project eligibility

This step screens primarily for project viability. Screening for viability includes a preliminary determination by reviewing or confirming:

- Customer Site Eligibility Tool inputs and results
- Value Estimator Tool inputs have been selected properly
- Program influence statement was submitted as part of the application

Projects may be rejected or modified, based on findings of the screening.

2.8 Project Application Package Review

Upon receiving a complete application package (which should include all required documents listed in the Project Application Package Checklist), the program will conduct an internal review using the Application Review Checklist. Application Package Review satisfies the program guidelines and will include review of all documentation including but not limited to influence, estimated savings forecasts, calculation tools, technology effective useful lives (EULs), costs, deemed values, cost estimates, non-IOU fuel source analysis, etc.

Project Application Package Checklists will be recorded and stored with each project folder on AESC's project database and uploaded into EECP

2.9 Project Post-Intervention Verification

The Post-Intervention Verification step employs a Post-Intervention Review Checklist to ensure completeness and accuracy of post-install documentation. Photos shall also be required for all installations. The Post-Intervention Review Checklist and photos will be recorded and stored with each project folder on AESC's project database and within EECP.

AESC, SDG&E, and California Public Utility Commission (CPUC) may, but have no obligation to, inspect any project installation. All customers signed up for the program must make their site available for inspection. The inspection may be conducted at the project site or by site photos. Detailed and thorough photo documentation of the installed measures will ensure a smooth photo inspection process.

2.10 Project Process (Site and Population-Level NMEC)

Every Site-level and Population-level NMEC application submitted to the program must go through the following process.

2.10.1 Qualification

Aggregators will verify sites meet the program eligibility requirements by entering site information into the Customer Site Eligibility Tool. Aggregators will work with eligible sites to scope projects, using the Value Estimator Tool for initial information on potential incentive values.

2.10.2 Project Enrollment

For eligible site projects, an application will be submitted by the aggregator. The application outlines the terms and conditions for participation in the program. Since the program is funded by ratepayer funds, it is paramount that the customer fulfills the obligations of the program and if changes occur that impact savings, the program is reimbursed. Additionally, it is important that the customer consents to site inspections and follow-up audits by SGD&E, AESC, or the CPUC. This document is legally binding, protects ratepayers, and must be completed and submitted with the complete project package at the Project Enrollment stage.

Aggregators will enroll eligible projects by submitting an application to AESC. After the enrollment of a project, AESC will review the project savings estimates, energy calculations, and measure technology EULs. AESC reserves the right to require additional review or inspection based on threshold of project savings, incentive levels, or other metrics.

2.10.3 Project Approval

A Project Approval Letter will be issued to the aggregator by AESC or SDG&E after the project passes the Project Enrollment stage to proceed with the next project stage.

2.10.4 Project Tracking

Project Tracking will occur in AESC's Salesforce, project databases, and AESC's Praxis software. Project tracking will include project stages, estimate and actual construction and installation dates, M&V dates, and other project specific details.

Data can be shared with SDGE's CRM as necessary.

Projects will be monitored for installation timeline and for any projects that exceed their originally estimated timeframe, especially those exceeding six months. AESC may elect to, but is not required to, grant an extension. Any such extension shall be recorded in writing and stored with each project folder on AESC's project database and in EECP.

2.10.5 Project Measurement and Verification

M&V will begin upon project completion, which includes installation and commissioning, as needed. Using Praxis by AESC, project performance will be measured for 12 months and will be determined based on a population-NMEC methodology, as outlined in the M&V plan. Aggregators will have access to their projects in Praxis by AESC and will be encouraged to log on regularly to check the performance of their buildings, if the aggregator meets the Program requirements. Aggregators are responsible for working with their customers to resolve building performance issues and/or report any non-routine events that may have impacted savings. Aggregators shall notify AESC within five business days of becoming aware of a non-routine event for Site-NMEC project that impacts measurement and verification. All NRE adjustment methodologies for Site-NMEC must be approved by SDG&E. Additionally any NRE adjustment for Pop-NMEC that does not adhere to the population M&V plan must be approved by SDG&E.

2.11 Required Data

2.11.1 Project Cost Documentation

Cost documentation is required for all projects.

Project cost estimates are based on the following sources, in order of preference:

- Project bids or quotations for the scope of work related to the energy efficiency opportunities.
- Project cost databases such as RSMeans; only for initial estimates prior to implementation.
- Historical records for similar projects; only for initial estimates prior to implementation.

Invoices will be required upon project completion. Invoices shall be complete and accurate, including contractor invoices, customer project-related internal hours and any additional supporting documentation. Costs unrelated to the energy efficiency project cannot be included within reported costs.

Cost reporting requirements will be established and communicated to the aggregators to ensure cost reporting is accurate and consistent across all projects.

2.11.2 Equipment Performance Specifications

In addition to defining the planned operation of the energy efficiency measure, the aggregator should include details about the proposed equipment performance specifications, also known as a “spec sheet”. This document may be in the form of a manufacturer data sheet, engineering drawings, or similar, and must be legible and tied to the project. When submitting this information, it is a best practice to highlight or define the specific line item in a product catalog. Including generic, incorrect, or unnecessary documentation will delay the review process.

Lighting fixtures and horticultural lighting fixtures must be listed on the DesignLights Consortium Qualified Products List (https://www.designlights.org) or Energy Star certified products list (https://www.energystar.gov/productfinder/product/certified-light-fixtures/ or https://www.energystar.gov/productfinder/product/certified-light-bulbs/).

2.12 Forecasted Savings Estimates

Site-level and Population-level NMEC projects will utilize aggregator supplied energy savings estimates in the form of custom calculations or software. The calculations and tools should be appropriate for the energy efficiency measures and pre-approved IOU tools are preferred. The level of rigor should match the significance of savings.

For sites with non-IOU fuel sources, savings estimates will be compared against project site net imports to ensure that all savings will be realized as coincident energy reductions with IOU imports.

AESC houses the robust database of all building and energy data using environments such as Microsoft Azure that guarantee data security, availability, and longevity.

2.13 Calculation Methodologies

The native calculation process for AESC's Site-level and Population-level NMEC measurement is consistent with the measurement and calculation processes defined by the International Performance Measurement and Verification Protocol (IPMVP) and abides by the CPUC NMEC Rulebook, as will be detailed in the M&V Plan.

Deemed measures will utilize approved and current eTRM values from measure packages.

2.14 Measurement and Verification (M&V)

The Program M&V Plan will detail all measurement and verification requirements. Both Population and Site-Level NMEC projects will adhere to the overarching Program M&V Plan.

The Population NMEC M&V Plan sections describe the uniform M&V methods that are applied to all Population NMEC projects.

The Site-Level NMEC M&V Plan will be outlined for each distinct project.

Deemed measures will not require M&V, unless required in the CPUC approved measure package, and will use eTRM measure package data for savings estimates and claims.

2.15 Non-IOU Fuel Sources

To be eligible to participate in the program, the building must first pay into the electric or gas Public Purpose Program (PPP) Charge that aligns with the efficiency measure fuel type. Secondly, the energy use reduction caused by the energy efficient measure/project must occur coincidentally with periods of energy import from the utility grid, up to the maximum imported from the gird.

The program will follow the most up-to-date guidance for non-IOU fuel sources when analyzing the grid impacts of energy efficiency projects installed at customer sites with non-IOU fuel sources. Savings attributed to the measures/projects eligible for energy efficiency savings incentives are limited to the reduction in IOU grid energy usage which occurs:

- At times when energy efficiency measures are operational

- At a time when the reduction in energy use proposed is being met entirely by the IOU grid

In other words, the site cannot claim energy savings, or receive incentives, for savings that surpass the site's IOU grid-supplied energy for each coincident time frame. The timeframe used in the analysis depends on the customer category as outlined in CPUC guidance. Incentives are therefore capped based on each timeframe's IOU grid-supplied energy use.

2.16 Measurements

Energy savings measurements are based on utility meter data advanced metering infrastructure (AMI) data supplied by the utility. Electricity consumption is typically 15-min interval data. Natural gas consumption is typically daily interval data.

For projects with on-site generation, and net energy metered usage, solar data may be acquired directly from the customer's on-site generation metering system, to reconstruct the facility's energy consumption profile. In these cases, the energy savings measurements are based on utility meter data (positive or negative) plus on-site generation metering system.

AESC ensures the data used for energy savings measurements follow the requirements of the CPUC NMEC Rulebook.

2.17 Financial Incentives

For incentives paid on the basis of energy savings, AESC will ensure that the calculation and M&V methodologies used are compliant with the program's requirements. The IPMVP has become a popular guideline for energy projects, and AESC's standard processes adhere to this protocol.

2.18 Deemed Rebates

Deemed rebate applications will be accepted. The application form will outline all the expected requirements to ensure complete and accurate applications are submitted. Deemed rebate applications are typically submitted and reviewed once the project is installed; however, the program will allow a pre-installation review of the application to ensure the proposed project will meet the requirements of the deemed rebate. Pre-installation or post-installation reviews will use a Project Application Package Checklist to ensure the project application package satisfies the statewide guidelines required for deemed rebates. The checklist will confirm that the proposed or invoiced equipment meets the requirements of the deemed measure package, including all equipment, specifications, terms, and data collection, as supported by equipment specifications and other required supporting documents.

AESC will monitor the eTRM statewide deemed workpaper revision lists and any published sunset measures list on a continuous basis to determine if current or future changes to existing measure packages impact the program's deemed offerings. For those measures potentially impacted, the program will track the measure package activity status on the CPUC's monthly workpaper summaries via caetrm.com and will effectuate any applicable changes in claimable savings, measure costs, etc. The program will only offer active and CPUC approved deemed measures packages. Otherwise, the program will outline a path for workpaper approval.

Groceries, Restaurants, and Food Storage Program

Marketing Plan

SDG&E

Version 1.0

Date: November 26, 2025

3 Marketing Plan

3.1 OVERVIEW

3.1.1 Introduction

The Groceries, Restaurants and Food Storage Program is an aggregator-driven, downstream commercial retrofit resource acquisition program that leverages primarily Population-NMEC (Pop-NMEC) and Site-Based NMEC (Site-NMEC) savings pathways. Program delivery, including customer marketing and project installation, is heavily supported through subcontracted aggregators with assigned goals, while still offering an open marketplace for other enrolled aggregators to leverage program offerings to serve targeted markets and achieve program goals. The program offers aggregators TSB-based incentives for both NMEC and deemed savings pathways, including enhanced incentive rates for qualifying small and hard-to-reach (HTR) customers, many of whom are in Disadvantaged Communities (DAC). The program also promotes Integrated Demand Side Management (IDSM) and, specifically, limited EE/DR integration, through customer and aggregator education and awareness.

3.1.2 Purpose

The purpose of the Groceries, Restaurants and Food Storage Program is to overcome traditional barriers and deliver cost effective TSB and energy savings in targeted markets through three sub-program offerings: Medium and Large Grocery, Food Storage, and Small Facility and HTR.

3.1.3 Objectives and Goals

The program goal is to increase customer participation in energy efficiency programs through aggregator installation of cost-effective energy efficiency and peak load reduction projects in targeted markets, to achieve the following program goals and objectives.

Table 3. Program Goals and Objectives

Goals	Objectives
Achieve TSB Savings Goals	Achieve program TSB goals through installation of cost-effective energy efficiency and peak load reduction measures
Overcome participation barriers in targeted markets	Overcome market barriers, and increase participation, in Medium and Large Grocery facilities, Food Storage facilities, and Small Facility/ Hard to Reach (HTR) facilities through primarily performance-based TSB-based financial incentives, financing solutions, and technical support.
Increase participation in HTR and/or DAC markets	Achieve a participation goal of at least 14% of program participants from HTR and/or DAC customers.

The Marketing Plan goal is to support achievement of program goals and objectives by communicating benefits of participation to both targeted program participants and potential market aggregators through compelling messaging of benefits, and through clear and easy-to-use program tools, resources and participation processes.

3.1.4 Target Audiences

Customer eligibility for the Program is based on market sectors, as outlined below.

Site eligibility for the three sub-programs is based on a combination of market sector, energy demand, and business size and ownership characteristics, as outlined below (in addition to site's eligibility based on NMEC requirements, as relevant). NAICS codes are provided as a general guideline for applicable market segments, and some exceptions may apply:

Sub-Program Criteria / Determination Method	Market Sector / Public data or SDG&E data	Max Demand[1] / Interval data or customer bill	Ownership / Public data or customer provided
Medium/Large Grocery	• 445110: Supermarkets and Other Grocery Retailers	>100 kW	Regional and national chains
Food Storage	• 493120: Refrigerated Warehousing and Storage (food storage only)	>20 kW	Any
Small Facility or HTR	• 445: Food and Beverage Stores • 7225: Restaurants / Other Eating Places • 445131: Convenience (without fuel pumps) • 457110: Convenience (with fuel pumps)	<100 kW	Locally owned small business or chain, or business located in a rented or leased facility

[1] The energy demand eligibility guidelines are approximate; and AESC may make exceptions to thresholds if customers demonstrate they meet the other program criteria outlined above.

Customer types, characteristics and examples are further described below:

3.1.4.1 Medium/Large Grocery

- Stater Bros, Sprouts, Ralphs, Gelsons, Vons /Albertsons, Whole Foods, Grocery Outlet, Trader Joe's, Kroger, Jimbo's, Smart & Final

3.1.4.2 Food Storage

- **Larger refrigerated warehouses** –Ranging from ~50,000-150,000 square feet, large refrigerated warehouses typically have central ammonia systems and include Public Refrigerated Warehouses (PRW), food and beverage distributors, various value-added businesses including import and export handlers, as well as private or contracted

freezers and coolers associated with all kinds of frozen, and perishable growers and manufacturers. There are approximately 10 in SDG&E's territory.

- **Smaller refrigerated facilities –**Typically smaller than 50,000 square feet, these facilities are more widely distributed and typically operate with racks and split-system halocarbon/freon systems. There are approximately 50 smaller refrigerated facilities in SDG&E's territory.

3.1.4.3 Small Facility or HTR

- **Restaurants:** Local, franchised and chain sit down, fast food and quick serve restaurants such as: In-N-Out, Taco Bell, El Pollo Loco, Panera, Chick-fil-A, Shake Shack, Rubio's, Subway, Starbucks, Peet's Coffee
- **Small grocers and independent markets:** H Mart, Vallarta Supermarkets, Northgate Market, Barons Market, Food Bowl Market, Pancho Villa Farmers Market, Food Bargain Market, North Park Produce, Mission Market, Imperial Market, Carnival Market, Foodland Mercado
- **Convenience:** 7-Eleven, ampm, Circle K

3.1.5 AESC Program Marketing Team

- **Program Director** – Will oversee overall program success, including marketing strategy.
- **Program Manager** – Will manage implementation of marketing strategy and tactics and subcontracted and enrolled aggregator engagement.
- **Marketing and Communications Lead** – Will lead implementation of marketing strategy and tactics and oversee design of collateral and digital marketing assets.
- **Marketing and Communications Coordinator** - Will support Marketing and Communications Lead with development of marketing assets and deployment of campaigns.
- **Subcontracted and Enrolled Aggregators** – Will perform direct customer outreach and project sales, develop project proposals including customer energy and non-energy benefits, and will install projects.

3.2 STRATEGIC MARKETING AND COMMUNICATIONS

3.2.1 Strategies and Tactics

3.2.1.1 Data-Informed Targeting

AESC will analyze SDG&E customer data as a foundational approach to marketing efforts in order to prioritize high potential eligible participants for marketing and outreach. Data analysis will also:

- confirm the size of the total available markets for each sub-program
- determine the percentage of potential sites eligible to participate in NMEC savings pathways based on CV(RMSE) and data sufficiency
- provide an estimate of the percentage of the eligible market that needs to participate to achieve program goals and objectives

The results of this analysis will inform marketing and outreach strategies and budgets, as well as aggregator outreach strategy.

Targeting Database: To prioritize high potential participants, AESC will leverage data analysis results to create a customer targeting database that identifies key characteristics of customer accounts including:

- **Pop-NMEC Eligibility:** Sites' preliminary eligibility to participate in the Pop-NMEC savings pathway, based on site CV(RMSE), 12 months data sufficiency, and energy efficiency participation information.
- **Ownership classification:** National and regional chain accounts and sites will be identified.
- **Rent versus Own:** If available, SDG&E or public data will be merged to identify sites that are rented or leased to inform HTR targeting strategies.
- **Energy Consumption:**
- Sites with demand from 20 to 100 kW, and gas usage less than 100,000 therms to qualify for the Small Facility and HTR sub-program.
- For tracking and ranking to identify highest potential for savings based on total energy consumption.
- **DAC:** Sites located in DAC-designated areas.
- **Climate Zones:** For targeting weather dependent measures.

The customers will also be classified by geographic regions and neighborhoods to inform potential regional marketing efforts that could be coordinated with participating aggregators.

3.2.1.2 Program Marketing

Marketing efforts will be designed to increase customer awareness of program offerings in the grocery, convenience and food service markets in order to prime the markets and reinforce direct aggregator customer outreach and sales efforts.

The AESC Marketing Team will develop marketing strategies that may include a combination of direct marketing, earned and owned media (e.g., newsletters, articles), and paid media, as determined to be required to achieve marketing goals. Marketing strategies will be coordinated, as appropriate and/or required, with SDG&E, subcontracted and enrolled aggregators, and subconsultants, as well as with potential complementary programs to encourage more comprehensive projects.

3.2.1.3 Direct Marketing

Direct customer marketing may include email marketing and/or digital marketing.

If customer emails are available in association with customer data shared by SDG&E, the AESC program team will explore with SDG&E the viability of direct email communications from the Program to customers to raise customer awareness of the program offering and benefits, and to refer customers to program website resources for program and contact information.

The AESC Program team will also work with SDG&E to identify any other existing SDG&E corporate or program marketing channels or digital assets that can be leveraged to facilitate direct marketing to customers or aggregators on the program, such as:

- SDG&E website pages where the Program can be promoted and linked
- Existing SDG&E email communications to targeted customers or potential aggregators
- Complementary program marketing opportunities, such as through the new SDG&E Small Business Equity Outreach Program, that can promote and refer customers to the program.
- Account Representative communication channels, such as for any assigned chain accounts or food storage customers in SDG&E's territory.

Direct marketing may also include direct digital marketing through select social media channels, such as through LinkedIn, or through association lists as described below.

Regional Business Chambers and Business Associations

Industry associations are an effective channel to reach potential customer members and associate members, such as trade allies and service providers who service targeted customer groups and can be engaged as program aggregators. Associations offer opportunities to access membership lists and direct advertising or marketing through association communication channels, trade shows, conferences, and regional networking events.

Examples of business associations in SDG&E's territory that service targeted program participants include the:

- San Diego Chapter of the California Restaurant Association
- Food and Beverage Association of San Diego
- California Grocers Association
- Neighborhood Market Association
- San Diego Green Business Network
- North American Sustainable Refrigeration Council
- Building Owners and Managers Association
- US Green Building Council

3.2.1.4 Earned and Owned Media

The AESC Marketing Team will explore channels to place earned and owned media promoting the program, such as through articles in association newsletters, local newspapers, or LinkedIn posts on targeted customer interest groups.

3.2.1.5 Paid Media

The AESC Marketing Team will also explore high potential channels to purchase paid advertising and paid media, such as through associations and chambers. Examples of potential paid advertising opportunities through associations include:

- Advertising: Advertise - California Grocers Association (cagrocers.com) and
- Advertise with Us - California Restaurant Association (calrest.org)

3.2.1.6 Conference and Meeting Attendance

The AESC Marketing Team will identify potential regional sector-specific conferences and meetings where the program can be promoted through booths, paid advertising, or presentations to members, such as:

- CA Grocers Association Conference, October 2024

3.2.2 Messaging

Marketing messaging to customers will be focused on promoting the benefits of program participation and will be tailored to sub-program targeted business types, barriers, opportunities and energy and non-energy benefits. Customer messaging in program marketing assets will highlight:

- Specific typical project opportunities that can yield cost-effective energy savings for the life of the measure, as well as summer peak energy reduction benefits.
- Typical or example lifetime energy and cost savings potential and return on investment values.
- Improving store or facility profitability by reducing energy waste and operating costs.
- Complementary incentive and project funding opportunities that can be stacked with Program services to reduce implementation costs, and available financing solutions.
- Non-energy benefits of projects, such as reduced maintenance savings, improved comfort, improved lighting quality, improved system visibility and control, increasing the longevity of foods or reducing shrinking and spoilage,
- Demand response alignment and programs.
- Greenhouse gas (GHG) reduction benefits, such as through refrigerant and other decarbonization opportunities.
- Turnkey project delivery benefits of the program, including project scoping, installation and potential incentives offered through enrolled aggregators.

Marketing messaging to aggregators will be focused on recruitment and will highlight:

- Benefits of participating in the program to increase projects in SDG&E territory.
- The value of TSB-based incentives
- Example aggregator incentives for projects and project combinations in targeted facility types
- Streamlined program approval timelines through Pop-NMEC
- Program flexibility for aggregators to structure project proposals and shared incentive models that meet customer needs and investment requirements.
- Easy to use program eligibility and incentive estimating tools and processes.
- Aggregator support offered through the program to address questions and challenges.
- Program activities to prime the market though customer marketing support.
- Program dashboards that aggregators can use to view their project portfolios, energy savings performance, and earned and potential incentives.

3.2.3 Marketing Materials and Collateral

Marketing materials will be focused on web-based and other digital assets, including collateral, materials and forms in PDF that can be printed for distribution if needed.

3.2.3.1 Program Website:

The program's website will be hosted on AESC's website www.aesc-inc-com through dedicated sub-pages, and will provide program overview information and links to program documents and marketing information and collateral for both customers and aggregators, including:

- Program overviews
- Links sub-pages or collateral, including:

    - program overview collateral
    - grocery and convenience store collateral
    - food storage collateral
    - restaurant collateral
    - featured customer case studies and testimonials (once available)
- Participating Aggregator Agreement (PAA)
- Customer Participation Agreement
- Program Contact information for questions from potential customers and aggregators
- A list of enrolled aggregators
- A login-enabled sub-page for enrolled aggregators to access the
    - Customer Site Eligibility Tool
    - Value Estimator Tool
    - Aggregator training and resource materials
    - SDG&E's demand response website link
    - Access to Praxis platform to monitor project portfolio performance.

AESC will coordinate with SDG&E on a timeline for program and marketing material reviews. Any co-branded materials will meet SDG&E co-branding and marketing standards.

3.2.4 Aggregator Engagement, Training and Marketing

3.2.4.1 Aggregator Enrollment and Training

Project Aggregators will be enrolled and trained as program delivery partners to market and deliver projects to customers and will receive program incentives. They will enroll through the Aggregator Participation Agreement, which outlines program requirements and processes, roles and responsibilities, and will be trained on how to leverage the program's tools and resources to target and capture the highest TSB impacts and aggregator incentives. Aggregators will be able to leverage program collateral to promote program benefits.

3.2.4.2 Direct Customer Outreach and Sales to Existing Customers and Decision Makers

Direct outreach and Sales will be conducted by subcontractors Taper and Claudius Lynne leveraging direct marketing strategies proven successful in their decades of past refrigeration, small business, and DI programs in California. They will outreach to existing relationships in national chains, food storage, and small facilities and provide holistic technical support to help prioritize projects and locations to meet customer goals. This will include providing a range of cost-effective measures best suited to customer needs and building types, leveraging lessons from past program implementation, market insights, and data analytics.

Taper, as the key aggregator subcontracted with the program, will offer market sector and performance-based Pop-NMEC program expertise while enabling project volume needed to meet program goals. They will engage their existing client relationships which may include but not be limited to:

- Ralphs, Vons/Albertsons, Whole Foods, Costco, Grocery Outlet, Trader Joe's, Food for Less, Walmart, Stater Bros., Kroger, HMart, Ghai Management (Burger King), WOW Ventures (Wendy's), and 7-Eleven. They will also engage small and independent food retail, convenience storage and restaurants for the HTR and DAC sub-program goals.

Claudius Lynne, focusing on food storage facilities, will engage their existing relationships in SDG&E territory which include, but not be limited to:

- Innovative Cold Storage (ICE-1 and ICE-2), San Diego Cold Storage, Harborside Refrigerated Services, Sysco San Diego (Poway), Restaurant Depot, and Henry Avocado.

The Program Team will also identify property management companies who own leased restaurants, groceries, and food storage sites for direct outreach.

AESC will engage other aggregators through our existing relationships and networks to enhance program outreach and project recruitment, as required.

3.2.5 Stakeholder Engagement Plan

AESC will engage the following stakeholders to support Program marketing:

3.2.5.1 SDG&E

SDG&E will be a key program partner in facilitating monthly transfers of customer data required for targeting and marketing, and customer eligibility.

The Program Team will also work with SDG&E to coordinate processes aggregators can use to leverage the SDG&E OBF offering.

3.2.5.2 Small Business Outreach Equity Program

The Program Marketing Team will coordinate with the Small Business Outreach (SBO) Equity Program Implementer to facilitate program referrals from the SBO to encourage small business customers to pursue additional projects with deeper energy savings through the Program, as determined feasible. AESC will seek customer and project information details from the SBO Equity Program to inform opportunities and viable program pathways for savings.

3.2.5.3 California Food Service Instant Rebates program

The Program Team will coordinate with the midstream California Food Service Instant Rebates program to enable two-way program referrals for food service equipment that may not be eligible to participate in the midstream program, or referrals to the midstream program for equipment that can participate, if it will not cause M&V conflicts at a site.

3.2.5.4 *San Diego Community Power and San Diego Regional Energy Network*

The Program Marketing Team will coordinate with SDCP and a potential future SDREN as feasible and appropriate, to ensure all possible measure and incentive options are shared with and available to customer to support a comprehensive offering and streamlined and coordinated customer experience. SDCP is anticipated to be leveraged as a marketing partner in two ways, as their organizational objectives are aligned with program objectives – both in serving small customers and Communities of Concern, and in supporting regional economic development and energy jobs, such as for aggregators. The Program will coordinate with SDCP on opportunities to stack incentives where eligible, refer aggregators, refer customers, and promote the program. These marketing partnerships will ensure that all possible measures and incentive options are shared with and available to customers to support a comprehensive offering and streamlined and coordinated customer experience.

3.3 EVALUATION AND MEASUREMENT

Marketing strategies and campaigns will be developed to achieve specific program objectives and goals.

The AESC Program Team will evaluate marketing efficacy by tracking inbound program inquires, program leads from event attendance, and referrals from the Small Business Saver Program, the California Midstream Foodservice Instant Rebates Program TECH Commercial HPWH program, San Diego Community Power programs or other future program marketing partnerships.

The AESC Program team forecasts four inbound inquiries/leads/referrals a month, 12 quarterly as per reporting timeframes.

Groceries, Restaurants, and Food Storage Program

Measurement & Verification Plan

SDG&E

Version 1.0

Date: November 26, 2024

4 Measurement and Verification (M&V) Plan

4.1 Approach to the M&V Plan

The M&V plan detailed below for AESC's Grocery, Restaurant, and Food Storage Program ("Program") is based on current CPUC policy including the 2021 Statewide Customized Offering Procedures Manual for Business and standard practices from International Performance Measurement and Verification Protocol (IPMVP).

The Program M&V Plan also leverages the methodologies and existing M&V tools utilized in AESC's implementation of California programs, as well as certain site-based methodologies and engineering best practices for IPMVP Option C to evaluate savings and pay customers incentives based on custom measure performance.

AESC will ensure the M&V plan stays up to date on CPUC policy. Any changes implemented will be reflected in M&V plan updates documented through redlines and version control.

4.2 Summary of Program Energy Savings Methodologies

The Program's energy savings methodologies are segmented by sub-program.

- The Grocery sub-program addresses medium and large chain grocers. The primary savings methodology is Pop-NMEC, and secondary is Site-NMEC.
- The Small Business and HTR sub-program targets small food retailers and restaurants. The primary savings methodology is Pop-NMEC, and secondary is Deemed.
- The Food Storage sub-program addresses primarily large refrigerated warehouses but also medium refrigerated facilities. The savings methodology is Site-NMEC.

Estimated Participation Rates by Sub-Program		
Sub-Program	**Estimated # Participants**	**% of Total Participants**
Grocery	32	17%
Small Facility & HTR	149	81%
Food Storage	4	2%
Total	185	100%

Estimated Equity Participation Rates		
Equity Targets	**Estimated # Customers**	**% of participants**
Hard to Reach	26	14%
DAC Location	33	18%

While the Grocery and Small Business and HTR sub-programs will focus on to-code savings, all sub-programs will pursue above code savings when possible.

- **To-Code Savings Potential.** Title-24 added commercial refrigeration and refrigerated warehouse systems for the code cycle beginning on July 1, 2014. Various equipment operation and controls requirements are triggered for new or major alterations of systems. For major alterations in commercial refrigeration and refrigerated warehouses, there are exceptions to these requirements based on the percent capacity being replaced. Thus, to-code opportunities exist for systems installed prior to July 1, 2014, and have replaced equipment falling below the trigger. In the case of refrigerated warehouses, an additional exception includes systems with greater than 20% of the design cooling load for quick chilling, freezing, or process refrigeration. These systems are often part of a food storage facility adjacent to an agricultural operation.
- The term "to-code" in the context of these questions stems from CPUC D.17-11-006 which is prior to CPUC Resolution E-4939 which modified the term "Code Baseline" to "standard Practice Baseline" to reflect more than just the California Energy Code. A significant opportunity exists in these sectors to address upcoming low GWP requirements.
- **Cost-Effective To-Code Savings.** Cost effective to-code savings exists in the large grocery and food storage refrigeration systems and lighting systems in all program subsectors and throughout all SDG&E climate zones. In particular, the conversion to TSB as the performance metric makes the acceleration of low GWP conversions cost effective.
- **Barriers to Code-Compliant Replacements.** Barriers include additional cost of controls not related to the equipment being replaced in a major alteration, which leads to piecemeal retrofits and maintaining of inefficient equipment and operations. For low GWP requirements, this will be a significant financial burden to comply with the upcoming standards. Other barriers include the added cost of equipment, the lack of customer understanding of solutions, the need for coordination and training of service technicians.
- **Natural Turnover.** Natural turnover of refrigeration equipment is not occurring due to the cost barrier described above. In the case of the low GWP scenario, many grocers and refrigerated warehouses will delay change outs until absolutely necessary or perform a minimally compliant refrigerant retrofit.
- **Program Interventions.** The NMEC platform requires bundling of different measures to increase net grid impacts which, in turn, produces more incentive opportunities. Additionally, program experts can assist grocers and refrigerated warehouses to understand the different low GWP compliance options with potential incentives to accelerate the compliance activities.

4.3 Program Eligibility

Customers will be screened for eligibility to participate in the program's Pop-NMEC, Site-NMEC, and Deemed savings pathways.

Pop-NMEC projects are expected to have similar types of equipment and drivers in energy consumption across their applied cohort, while Site-Level NMEC projects require custom

regression modeling due to unique factors impacting building energy usage including non-routine events (NREs).

The program will have multiple cohorts. For purposes of determining Aggregator incentives, cohorts will be defined by Aggregator and the year-quarter in which the project begins M&V. Cohorts may be defined using additional criteria such as building size, project type, measure type, etc., at the discretion of AESC.

Eligibility for customers, sites and projects will be confirmed according to the following methods:

Eligibility Item	Pop-NMEC	Site-Level NMEC	Deemed
Coefficient of Variation of the Root Mean Square [CV(RMSE)]	<.5 for sites with max demand >1,000 kW <1.0 for sites with max demand <1,000 kW	<0.25	n/a
Data Sufficiency	<10% missing baseline data per month	CalTRACK: <10% missing baseline data per month Other models: <=25% missing baseline data with adequate independent variable coverage	n/a
EE Program Participation	Ensure no double-dip	Ensure no double-dip	Ensure no double-dip
Method to confirm above data	Automated Customer Site Eligibility Tool (CSET) – provides instant eligibility query results on a database with site data sufficiency, CVRMSE value, EE participation	Project Engineering Review	Customer/measure eligibility review
Customer Sub-segment	Medium and Large Grocery, Small Facilities and HTR Customers	Food Storage Customers	Small Facilities and HTR Customers
Zip Code	Verify SDG&E Zip	Verify SDG&E Zip	Verify SDG&E Zip
Solar/NEM*	Flags if customer is Net Metered from SDG&E data	Flags if customer is Net Metered from SDG&E Data	n/a
Net Mean Bias Error (NMBE)	n/a	−0.5%< NMBE <0.5%	n/a

Fractional Savings Uncertainty**	N/A – this is managed at the population level, <=25% (90% Confidence)	<=50% (90% Confidence)	n/a

*If the project site changes on-site generation in the 12 months prior to installation or the 12 months after installation, they become ineligible for population NMEC procedures. Specifically, the installation of solar or battery storage systems.
**The Program has the capability to report the uncertainty inherent in model predictions by quantifying savings uncertainty at a defined confidence level. This quantification, expressed as a percentage of the average metered savings, is termed the Fractional Savings Uncertainty (FSU). Through the analysis of portfolio data and utilizing standard FSU calculations, the program is equipped to accurately report the calculated FSU. This ensures a transparent and precise representation of the level of uncertainty associated with the savings estimates generated by the program. The Program will target 10% metered savings and enrolled sites will have an average of 50% CV(RMSE) (assessed with a daily model). Population FSU diminishes by 1/sqrt (number of projects); as such, any portfolio with 13 or more projects should be sufficient to have a valid FSU. AESC will ensure CPUC FSU requirements are met for the population of projects grouped by installation year. AESC will adhere to current NMEC rulebook requirements for FSU reporting.

4.4 Project Intake, Review, and Approval

During project review and approval, AESC will collect documentation that meets program requirements and is suitable for EM&V, including:

- **Project Costs:** Cost documentation will be collected during pre- and post-project approvals.
- **EUL and Load Shape:** The table below outlines the EUL and default load shape used to forecast lifecycle savings, TSB, and incentives. Actual load shapes will be used during M&V. Any technology or measure combination that produces cost-effective electric benefits will be considered for enrollment to meet program impact targets. AESC may add new load shapes as appropriate and with SDG&E approval. For Deemed measures, EUL and Load shape will be determined from the eTRM permutation reports, based on applicable project inputs (e.g., measure, building type, climate zone, PA eligibility, etc.).

Name	MAT	EUL*	Default DEER Load Shape for Forecasting
Chiller	Retrofit	20	HVAC_Chillers
Refrigeration – Controls (Controls EUL with supporting documentation)	AOE	15	HVAC_Chillers
Refrigeration – Controls (Host Equipment EUL/3)	AOE	5	HVAC_Chillers
Refrigeration – Maintenance & Optimization with OM&M Plan (3 yr. EUL)	BRO	3	HVAC_Chillers

Refrigeration – Maintenance & Optimization (1 yr. EUL)	BRO	1	HVAC_Chillers
Building Envelope	Retrofit	20	HVAC_Split_Package_AC
HVAC – New Controls (Controls EUL with supporting documentation)	AOE	15	HVAC_Split_Package_AC
HVAC Retrofit	Retrofit	15	HVAC_Split_Package_AC
Add Economizer	AOE	5	HVAC_Split_Package_AC
HVAC – Maintenance & Optimization with OM&M Plan (3 yr. EUL)	BRO	3	HVAC_Split_Package_AC
HVAC – Maintenance & Optimization (1 yr. EUL)	BRO	1	HVAC_Split_Package_AC
Heat Pump Retrofit	Retrofit	15	HVAC_Split_Package_HP
Pipe Insulation	AOE	5	Indoor_CFL_Ltg
Process Cooling – Controls (Controls EUL with supporting documentation)	AOE	15	Indoor_Non_CFL_Ltg
Process – Pumps/Motors	Retrofit	15	Indoor_Non_CFL_Ltg
Lighting	Retrofit	12	Indoor_Non_CFL_Ltg
Food Service – Equipment	Retrofit	10	Indoor_Non_CFL_Ltg
Process – VFD/VSD	AOE	5	Indoor_Non_CFL_Ltg
Behavioral Interventions with OM&M Plan (2 yr. EUL)	BRO	2	Indoor_Non_CFL_Ltg
Behavioral Interventions (1 yr. EUL)	BRO	1	Indoor_Non_CFL_Ltg

* Note that EULs are subject to change and may be updated to reflect changes in CPUC policy regarding measure life.

- **Lifecycle Savings:** Lifecycle savings will be based on the project's estimated annual savings for each measure and the project's weighted EUL. Total System Benefit (TSB) will be estimated based on the lifecycle savings and default load shape. Each project's weighted EUL, savings, and TSB will be documented and reported during pre- and post-installation review with AESC's Value Estimation Tool (VET). For deemed measures, TSB will be determined from the eTRM permutation reports, based on applicable project inputs (e.g., measure, building type, climate zone, PA eligibility, etc.).
- **Forecasted Energy Savings:** AESC will review Aggregator savings estimates to confirm reasonableness of method (e.g., industry best practices, assumptions) and results pre- and post-installation. Aggregators may provide industry-accepted calculations Excel workbooks, EnergyPlus, eQUEST, or deemed values. Calculation methodology is dependent on the type of project; for example, deemed measures will use deemed values while Site-Level projects may require more complex whole building-simulation calculations. AESC will apply engineering best practices to ensure forecasted savings are reliable and realistic.
- **Program Influence:** AESC will verify the program's influence in three major ways: 1) Reach out to Aggregators and customers using targeting strategies previously defined and engage regularly to track project timelines. 2) Create marketing materials at program launch to educate on the program and its tools and processes. 3) Require cost documentation and photos pre- and post-installation to ensure equipment was not installed prior to approval.
- **Measure-based influence** requirements include:

- **Deemed:** Per individual measure packages. For accelerated replacement, follow the CPUC guidance that went into effect on 2024-01-01, and states that for accelerated replacement measures a Customer Affidavit Statement must be provided, except for small-sized and hard-to-reach customers.
- **Site-Level NMEC**: Follow custom project influence and preponderance of evidence requirements in E-5115.
- **Pop-Based NMEC**: AESC will track CPUC rulings and as direction is documented, process will be created to follow those.
- **Net-to-Gross (NTG):** AESC will use the following default NTG ratios, based on methodology:
- For Site-Specific and Population NMEC projects, a NTG of 0.95 will be used, based on CPUC's resolution E-4952 for Non-Residential NMEC projects. The NTG ratio of 0.95 will be updated during implementation should future CPUC guidance dictate a new default NTG ratio; program goals may need to be updated if the future CPUC guidance materially impacts the Program's ability to realize savings.
- For Deemed projects, the NTG is dependent on the measure as defined in the eTRM.

4.5 Measurement and Verification

Upon project completion and final approval, all meter-based energy and demand savings will be measured, tracked, and recorded in Praxis. Measured savings and the basis of payable savings will use whole building IPMVP Option C methods to calculate Avoided Energy Use. Praxis will be used for all regression modeling, tracking, and reporting of Pop-NMEC and Site-Level NMEC projects. In both cases, Praxis will analyze and assess multiple models to identify the best fit, but the approach will vary between the two paths.

- **Pop-NMEC**: Candidate regression models will be selected using an automatic model selection algorithm. Praxis will analyze and assess multiple model forms based on industry standard M&V practices (e.g., ASHRAE 14, CalTRACK) and based on Program defined statical criteria (CV(RMSE)) and will select the best possible baseline candidate model. The selected model will be run at the individual participant level to determine performance. Eligible participants will have program savings estimated through the end of the first-year post-installation. Program savings will be aggregated to the cohort level, defined by Aggregator and the year-quarter in which the project begins M&V. Hundreds of candidate models will be evaluated and the model with the best CV(RMSE) is selected. Model forms include:
    a. Simple Linear Regression
    b. Three-Parameter
    c. Four-Parameter
    d. Five-Parameter
    e. CalTRACK Time-of-Week Temperature
    f. Gradient Boosting Machine Learning Model
    g. For Population-Based NMEC, AESC typically uses granular profiles (GPs) to control for exogenous factors and adjust measured and payable savings. To ensure no conflict of interest, GPs should be provided to AESC from either SDG&E or a third-party of SDG&E's choosing. Absent this, AESC will use

other comparison groups instead of GPs. Final savings claims and savings reported to the CPUC will be calculated as Avoided Energy Use for Pop-NMEC projects.

- **Site-Level NMEC**: Similar to Pop-NMEC, an automatic model selection algorithm will be utilized, but the Site-Level pathway will allow engineering input and discretion for model form and independent variable selection in order to customize to the customer's primary energy drivers. Simple linear regression and machine learning models will allow engineers to specify up to ten custom independent variables. Site-Level NMEC will allow custom NRE adjustments to the baseline and performance periods when they are detected. The program will rely on Aggregators to track and report NRE's per the site-level M&V plan that is created specific to each project. However, Praxis will systematically aid in identifying NREs in the following two ways:

  1. Automatically flag projects/meters that have suspected NREs using a quarterly savings % threshold to identify projects with unusual savings measurement.
  2. Automatically track savings measurement and compare against default/DEER monthly savings load shapes to help identify projects with unusual savings that don't align with forecasted savings.

  The site-level M&V plan will require a description of how NRE adjustments were handled in the baseline, and how NREs anticipated during the performance period will be quantified. Acceptable methods for quantifying NRE adjustments will align with the methods allowed for forecasting energy savings. All NREs must be communicated to SDG&E within five business days of detection and adjustment methodologies must be approved by SDG&E. Custom NRE adjustments will be reviewed during project approval QA/QC. Site-Level M&V plans will be provided with project submission according to the requirements of the CPUC NMEC Rulebook and SDG&E M&V Requirements for Site-Level NMEC. Final Savings claims and savings reported to the CPUC will be Normalized Savings for Site-Level NMEC projects. Normalized savings will use long-term weather based upon the most up-to-date weather files (e.g., CZ2022).

- **Deemed Offerings**: Eligible Deemed measures will use CPUC approved measure packages from eTRM (https://www.caetrm.com). The approved measure package cost, energy savings, and demand reduction will be claimed. To claim energy savings and demand reduction, the program will verify the measure meets the requirements of the measure package and data collection required by Resolution E-5152.

4.6 Proprietary and Non-Proprietary Software and Tools

AESC has existing software and tools that will support Program implementation and M&V. These tools are outlined in the table below.

Tool	Description
Customer Site Eligibility Tool (CSET)	Automatically identifies if a site meets program requirements including CV(RMSE), data sufficiency, and lack of program double dipping.

Value Estimation Tool (VET)	Calculates the weighted EUL, TSB, and incentive for entered projects. Will have varying TSB-incentive rates based on customer sub-program.
Praxis M&V Tool	Tracks savings and TSB estimation, performs project and portfolio M&V, calculates and enables approval of quarterly incentive payments, and tracks measured savings and TSB.
Praxis Measure Calculators	Whole Building/HVAC and Lighting calculators estimate project kWh, kW, GHG, and customer utility cost savings based on existing conditions baselines and customer CZ and utility tariff.
Automated Application Portal	Centralized, cloud-based portal for Aggregators to submit and track project application materials.
Aggregator Portal	Password-protected website providing Aggregators program resources and links to tools, including application checklists.

4.7 Data Collection

AESC will gather project data from Aggregators using the Automated Application Portal, including customer details, project scopes of work, calculations, project invoices, and photographs. To meet the obligations of Decision D.23-06-55, Ordering Paragraph 12, AESC will collect and maintain necessary data to allow evaluators to measure success of the program design. At a minimum, data collection includes:

- All projects: Company name, contact information (name, title, phone, email, mail, primary language) installation site address(es), utility account number(s), number of employees, building type, payment information (payee name, tax status, W-9, etc.), equipment cost, labor cost, manufacturer and model, manufacturer specification sheets, final invoices, building vintage, climate zone, and existing HVAC system type. Where appropriate, some data collection inputs will be auto populated with CEDARS default parameters, for reporting purposes.
- Deemed projects: Site ID, Equipment ID, measure category, measure quantity, and any additional data collection as required per the eTRM Measure Package or other CPUC guidance documents.
- NMEC projects: Scope of work, influence documentation (simple application influence statement for Population-level NMEC and documentation per E-5115 for Site-level NMEC), measure baseline conditions, calculations, vendor quotes, photos of existing equipment, photos of installed equipment.

The Automated Application Portal will track submitted materials, outstanding items for each application, and will communicate VET values to the AESC team for up-to-date pipeline tracking. Any data not possible to upload via the Automated Application Portal (e.g., large files) will be uploaded to AESC's secure SharePoint site.

Data	Source	Recipient	Format, Delivery	Frequency
Customer Eligibility and Targeting Data	SDG&E	AESC	CSV, API	Quarterly
Customer Interval Data	SDG&E	AESC	Green Button (GB) Data or CSV, API	Daily (GB) or Monthly
GPs	SDG&E	AESC	CSV, API	Monthly
Project Information	Aggregator	AESC	Varies	Ongoing
Approved Pre- and Post- Application	AESC / Applications	SDG&E	Varies	Ongoing
M&V Results	AESC / Praxis	SDG&E	SDG&E Admin Access On-Demand Downloadable Report (Excel, PDF, etc.) Uploaded to SD&GE's preferred location, such as EECP.	Monthly and on-demand Quarterly
Incentive Payment Information	AESC / Praxis	SDG&E	Downloadable report (Excel, PDF, etc.) Uploaded to SD&GE's preferred location, such as Energy Efficiency Collaboration Platform (EECP).	Quarterly

4.8 Aggregator Incentive Compensation and Schedule

All projects will receive a Performance Incentive and may receive a Bonus Incentive. These payments will result in a Total Incentive Value.

Performance Incentives are designed to pay Aggregators for the TSB their projects realize. Bonus Incentive payments, which are subject to availability of funds, are designed to reward Aggregators for cost-effective projects and quality project delivery that meets pre-determined key performance indicators (KPIs) on TSB, customer service, and DAC metrics.

All incentives are available on a first-come, first-served basis.

Incentive compensation structure, schedule, and process for Pop-NMEC, Site-NMEC and Deemed projects is described below.

4.8.1 Pop-NMEC and Site-NMEC Incentives

For Population-NMEC and Site-NMEC, projects will be issued Performance Incentive Reservations and Bonus Reservations, both calculated at 120% of estimated TSB. Each reservation serves as a cap for that payment type. Collectively, payments are capped at the Total Incentive Reservation (120% of estimated TSB) or 100% measured TSB, whichever is less. For example:

- When no Bonus Incentive payments are made, payments are capped at the Performance Incentive Reservation amount or 100% of measured TSB, whichever is less.
- When one or more Bonus Incentive payments are made, payments are capped at the Performance Incentive Reservation cap and the Bonus Reservation cap, to reach the Total Incentive Reservation cap.

Per the Program Eligibility section, for purposes of determining Population-NMEC Aggregator incentives, cohorts will be defined by Aggregator and the year-quarter in which the project begins M&V. This grouping is referred to as the Aggregator Quarterly Cohort (AQC). For example, projects starting M&V on or between January 1 – March 31 will be in the Aggregator's quarter 1 cohort. All projects in an AQC will be aggregated to determine an estimated TSB, Total Resource Cost (TRC), performance incentive cap, bonus incentive cap, and total incentive cap.

Site-NMEC projects will be paid on an individual project basis.

Incentive rates are as follows:

Sub-Program	Meter-Based Performance Incentive	Bonus Incentive
Grocery	$0.36 /TSB	Up to $0.04/TSB
Food Storage	$0.36 /TSB	Up to $0.04/TSB
Small Facility/HTR	$0.45 /TSB	Up to $0.05/TSB

4.8.1.1 Pop-NMEC

For Pop-NMEC projects, Aggregators receive incentives at three stages of a project, per the following schedule.

- Milestone Payment 1 (forecast-based): Upon installation approval, 50% of the estimated Total System Benefits based on final approved forecasted TSB. This payment will be made at the individual project level rather than the Aggregator Quarterly Cohort level and will be calculated the month following installation approval.

- Milestone Payment 2 (measurement-based): For Quarterly Aggregator Cohorts in which all projects have completed at least six months of M&V, up to 70% of the measured TSB multiplied by the incentive rate, minus Milestone 1 Payment. This payment is made at the AQC level and is calculated following each quarter (no earlier than April 1, July 1, October 1, January 1).
    - For example, the projects in the first AQC of the year (AQC1) start M&V between January 1 and March 31. AQC1 is eligible for M2 payment no earlier than October 1.

- Milestone Payment 3 (measurement-based): For Quarterly Aggregator Cohorts in which all projects have completed 12 months of M&V, up to 100% of the measured TSB multiplied by the incentive rate, minus all previous Milestone payments. This payment is made at the AQC level and is calculated following each quarter (no earlier than April 1, July 1, October 1, January 1).
    - For example, AQC1 is eligible for M3 payment no earlier than April 1 the following calendar year.
- Bonus Incentive Payment: Aggregator Quarterly Cohorts in which (A) the cohort is actively in M&V and (B) all projects in the cohort have completed at least 3 months of M&V, may be eligible for a quarterly bonus payment. AESC reserves the right to modify bonus eligibility as deemed appropriate to reach Program goals.
    - For example, if AQC1 qualifies for bonus payments, and budget is available, then bonus payments may be paid no earlier than July 1, October 1, January 1, and/or April 1.

AESC tracks each project separately in our M&V platform, Praxis. On a quarterly basis, projects are rolled up to the cohort level for reporting, performance, and incentive invoicing.

To process payment, AESC will perform the following steps:

- AESC receives monthly interval data from SDG&E.
- Quarterly, AESC trues-up interval and GP data to calculate incentive payments owed to Aggregators.
- Aggregator's projects are entered into CET to determine the TSB for the Aggregator's Quarterly Cohort.
- Incentives are documented in AESC's Praxis "Performance and Incentive Report" page, and SDG&E is notified to review and approve measured TSB.
- AESC uploads the incentive invoice to SDG&E's EECP system for payment processing, SDG&E approves invoice and transfers incentive funds to AESC.

For forecast-based payments, AESC will make payments within 50 days of the end of the month projects are approved.

For measured-based payments, AESC will make payments to Aggregators within approximately 10 days after receipt of payment from SDG&E.

Pop-NMEC Payment Formula and Schedule:

- Milestone 1 (M1) – Project Installation
    - M1 = TSB Incentive Rate * Final Approved Forecasted TSB * 0.5
- Milestone 2 (M2) – After all projects in the AQC have 6 months of complete M&V data
    - M2 = (TSB Incentive Rate * Measured TSB to Date * 0.7) – M1 Payment, <= AQC Performance Incentive Reservation – M1 Payment

- Milestone 3 (M3) – After all projects in the AQC have 12 months of complete M&V data
    - M3 = (TSB Incentive Rate * Measured TSB) – (M1 + M2 Payments), <= AQC Performance Incentive Reservation – (M1 + M2 Payments)

- Bonus Payment (BP) – Quarterly for qualified AQCs
    - BP = (Bonus Incentive Rate * To Date Measured TSB) – Previous BP, <= AQC Bonus Reservation – Previous BP

The sum of AQC payments will never exceed the incentive value of the TSB earned for the AQC, or the Total Incentive Reservation for the AQC, whichever is less.

4.8.1.2 Site-NMEC

For Site-NMEC projects, Aggregators receive compensation at two stages of a project, per the following schedule.

- Milestone Payment 1 (forecast-based): Upon installation approval, 50% of the estimated Total System Benefits based on final approved forecasted TSB. This payment will be made at the individual project level and will be calculated the month following installation approval.
- Milestone Payment 2 (per-site measurement-based): 100% of the measured TSB multiplied by the incentive rate, minus the Milestone 1 Payment. This payment will be calculated the month following the project's completion of M&V.
- Bonus Incentive Payment: Projects that complete 12 months of M&V may be eligible for a bonus payment of up to the total incentive value of the TSB earned.

For forecast-based payments, AESC will make payments within 50 days of the end of the month projects are approved.

For measured-based payments, AESC will make payments to Aggregators within approximately 10 days after receipt of payment from SDG&E.

Site-NMEC Payment Formula and Schedule:

- M1 – Project Installation
    - M1 = TSB Incentive Rate * Final Approved Forecasted TSB * 0.5

- M2 – After 12 months of M&V
    - M2 = (TSB Incentive Rate * Measured TSB) – M1, <= Performance Incentive Reservation – M1 Payment

- BP – After 12 months of M&V for Qualified Projects
    - BP = (To Date Measured TSB * Bonus Incentive Rate) <= Bonus Reservation

The sum of payments for each Site-NMEC project will never exceed the incentive value of the TSB earned, or the Total Incentive Reservation, whichever is less.

4.8.2 Deemed

Deemed Projects

Deemed projects will receive performance payments based on Deemed TSB values per the CPUC-approved Measure Package, whereas bonus payments will be based on CET-run TSB (CET TSB) values.

No individual or collective payment (performance payment, bonus payments, or total payments) will exceed the incremental measure cost (IMC) per the measure cost associated with the CPUC-approved Measure Package.

Deemed Projects will not receive reservations and will be paid in full upon installation approval.

Incentive rates are as follows:

Sub-Program	Deemed	Bonus Incentive
Grocery	Measure specific (average $0.27/TSB)	Measure specific (average $0.03/TSB)
Food Storage	Measure specific (average $0.27/TSB)	Measure specific (average $0.03/TSB)
Small Facility/HTR	Measure specific (average $0.27/TSB)	Measure specific (average $0.03/TSB)

Deemed projects will be paid upon post-installation documentation and application approval at 100% of the Deemed TSB value, up to the incremental measure cost (IMC).

- Milestone Payment 1: Project Installation Complete and Application Approved
- Bonus Incentive Payment: Projects that receive incentives during the calendar year may be eligible for a bonus payment based on the CET TSB. The Bonus Incentive Payment will be combined to include all eligible projects, up to 100% of combined CET TSB or combined CPUC-Approved measure package IMC, whichever is less.

Deemed Payment Formula and Schedule:

- M1 – After installation approval
  - M1 = Deemed Incentive Rate * Deemed TSB, <=IMC
- BP – Annually for Qualified Projects
  - BP = (CET TSB * Bonus Incentive Rate) <= IMC

For Deemed payments, AESC will make payments within 50 days of the end of the month in which projects are approved.

4.9 Implementer Payments and Incentives

AESC's compensation shall primarily consist of a pay-for-performance component based on TSB achieved by participants throughout the program year. AESC will invoice SDG&E monthly for the pay-for-performance component at set milestones that align with the aggregator payment formulas and schedules notated above (excluding bonus payments, which are not applicable to AESC). Additionally, a portion of AESC's pay-for-performance compensation will be retained by SDG&E, pending achievement of the program KPIs and cost effectiveness targets, which are evaluated and paid on a quarterly basis. Payments to AESC are capped at the annual budget amounts specified in the contract with SDG&E.

For pop and site-NMEC projects, AESC must provide SDG&E with CET files to support its TSB values. The TSB values for deemed measures will come from the California Electronic Technical Reference Manual (eTRM) for the current program year. SDG&E will track the program's true TSB achievement on a quarterly basis when calculating the program's Total Resource Cost (TRC) and issue an annual TSB true-up payment for deemed projects following its Quarter 4 assessment of the program's KPIs.