

Service RCx+

Implementation Plan

Prepared For:

Southern California Gas Company

Prepared By:



100 Montgomery Street, Ste 600
San Francisco, CA 94104

San Francisco • Sacramento • Irvine

www.enovity.com

July 20, 2021

Table of Contents

Table of Contents

Program Overview

Program Budget and Savings

Implementation Plan Narrative

- Program Description

- Program Delivery and Customer Services

 - Program Objectives & Delivery

 - Target Markets & Segments

 - Marketing Strategies and Tactics

 - Hard-to-Reach & Disadvantaged Communities

 - Program Incentives and Services Offered

 - Measure Mix, Comprehensiveness, and Deeper Energy Savings

- Program Design and Best Practices

 - Program Strategies and Tactics to Reduce Market Barriers

 - Best Practices / Lessons Learned

 - Key Software Tools

- Innovation

- Metrics

- To-Code Savings -

- Pilots

- Workforce Education and Training

- Workforce Standards

 - Experience with Projects of Similar Size and Complexity

 - Staff Qualifications

 - Licenses and Certifications

 - Safety Record

 - Bonding Capacity and Insurance Coverage

 - Ability to Document Prevailing Wage and Certified Payroll

 - Workload and Resource Availability

 - Self-Perform vs. Subcontracting

 - Geographic Presence

- Disadvantaged Worker Plan

- Additional Information

Supporting Documents

Program Overview

The Program Overview, which consists of the Program Budget and Savings Implementation Narrative sections, shall be completed consistently by all IOUs for statewide programs.

RCx the Smarter Way: Service RCx+ leverages three innovations—interval data analytics, turnkey implementation, and population-level NMEC M&V—to streamline and unlock high opportunity for energy savings through RCx and optional comprehensive measures in large and very large commercial facilities.

Service RCx+ offers participating customers population-level NMEC-based Energy Savings through the direct implementation of RCx and Optimization services at Large and Very Large Commercial facilities throughout the SoCalGas service territory.

Program Budget and Savings

The CEDARS platform generates summary views of the following information, based on application tables that the PAs upload to CEDARS. The information is organized at the program level and, if applicable, sub-program level to enable multiple cross tabulations and outputs for stakeholders' review and consideration. Programs with subprograms will be displayed at subprogram level and will roll up to a program summary page.

1. Program Name: SService RCx+
2. Program ID number: SCG(TBD)
3. Program Budget Table

Cost Category	2021	2022	2023	2024	Total	% of Total Budget
Administration	\$157,000	\$36,000	\$36,000	\$36,000	\$265,000	10%
Marketing	\$-	\$-	\$-	\$-	\$-	0%
Direct Implementation Non-Incentive	\$354,197	\$ 798,331	\$799,441	\$ 433,031	\$ 2,385,000	90%
Direct Implementation Incentive	\$-	\$-	\$-	\$-	\$-	0%
Total Budget	\$511,197	\$834,331	\$835,411	\$469,031	\$2,650,000	100%

4. Program Gross Impacts Table

First Year Annualized Deliverable	2021	2022	2023	2024	Total
Gross Therm Savings	167,777	378,157	378,683	205,120	1,129,737
Gross kWh Savings	N/A	N/A	N/A	N/A	N/A
Gross kW Reduction	N/A	N/A	N/A	N/A	N/A
Gross Gallons Saved	N/A	N/A	N/A	N/A	N/A
Net Therm Savings	159,389	359,249	359,748	194,864	1,073,250
Net kWh Savings	N/A	N/A	N/A	N/A	N/A
Net kW Reduction	N/A	N/A	N/A	N/A	N/A
Net Gallons Saved	N/A	N/A	N/A	N/A	N/A
Non-resource Deliverable(s), if applicable:	N/A	N/A	N/A	N/A	N/A

5. Program Cost-Effectiveness (TRC): 1.25
6. Program Cost-Effectiveness (PAC): 1.25
7. Type of Program Implementer: Third Party-delivered
8. Market Sector(s): Commercial
9. Program Type: Resource
10. Market channel: Downstream, direct install with technical assistance

Implementation Plan Narrative

Program Description

Describe the program, its rationale and objectives.

"RCx the Smarter Way: Service RCx+ leverages three innovations—interval data analytics, turnkey implementation, and population-level NMEC M&V—to streamline and unlock high opportunity for energy savings through RCx and optional comprehensive measures in large commercial facilities."

Service RCx+ provides population-level NMEC-based energy savings through the direct implementation of RCx and Optimization services at Large and Very Large Commercial facilities throughout the SoCalGas service territory, prioritizing the specific segments of Commercial Office, Health Care, and Laboratories. The Program screens facility targets for program participation using interval data analytics. Individual project savings will be measured and verified following the initial treatment by comparing actual energy consumption over a reporting period with a normalized metered energy consumption baseline model specific to the facility. Energy data and analytics used during the performance maintenance period will promote and ensure persistence, detect unexpected changes, and (if necessary) coordinate with facility personnel to provide additional training and corrective action.

Service RCx+ leverages an innovative combination of three program/project delivery elements that have all been individually tried and tested. The synergy of NMEC, Interval Data Analytics, and Turnkey Implementation creates a virtuous circle to unlock scalable, cost-effective Retrocommissioning and Operations [RO]-based savings potential. Building on the foundation of optimized facility operation and earned trust with participants that receive turnkey RCx, the program provides an optional and additional layer of development services for capital-intensive projects to achieve comprehensive NMEC savings.

Population-level NMEC decouples M&V from the measure identification and implementation process, allowing measure implementation upon discovery and eliminating the need to provide complex/custom engineering calculations that are notoriously expensive, inaccurate, time-consuming, and an approval process bottleneck. NMEC also addresses key regulatory concerns to ensure savings are long-lived and worthy of ratepayer investment and allows the use of existing conditions as the baseline for savings per AB802 statute and the subsequent CPUC policy record, removing confusion around industry standard practice and code baselines.

Enabled by population-level NMEC, Interval Data Analytics are used to pre-screen and baseline sites ahead of project implementation, allowing immediate implementation upon measures discovery. While this model introduces a higher degree of implementer performance risk, it rewards results at the meter. In addition, it allows more of the program budget to flow to measure implementation (as opposed to program administrative costs) and drive savings faster.

Decoupled from NMEC M&V and informed by up-front Interval Data Analytics, Turnkey Implementation expedites the acquisition of energy savings through a service model that streamlines customer engagement and bypasses the conventional means of RCx, which burdens stakeholders with developing lengthy reports, securing and waiting for funding, acquiring contractors to perform the work, and utilizing other parties to approve savings in both the pre-retrofit and post-retrofit periods. By combining NMEC, Interval Data Analytics, and Turnkey Implementation, Service RCx+ creates a paradigm shift in program design that can scale to help SoCalGas meet portfolio challenges ahead. Streamlining customer

engagement by eliminating unnecessary programmatic, administrative, and transactional/procurement inefficiencies increases customer enrollment and reduces cost. It also provides a larger proportion of program funding to flow to implementation, increasing speed, certainty, and persistence of cost-effective energy savings.

Similar to RCx, capital-intensive projects also benefit from decoupling M&V from implementation. By streamlining removing traditional custom process workflows, Service RCx+ can work with customers to provide the development services needed to make a business case for investment, specify the scope for procurement, connect the client with funding sources, and provide technical support during implementation. This timeline focuses on what the customer needs, unencumbered by procedural delays associated with traditional custom incentive programs.

The preceding elements, goals & objectives, activities, and outcomes are shown visually in the Program Logic Model diagram that follows in the Appendix.

Program Delivery and Customer Services

Describe how the energy efficiency program will deliver offerings (including program strategies/tactics, market channel, and targeted market/customer group); how it will reach customers, including those in CPUC-defined hard-to-reach and/or disadvantaged communities (if applicable), and any services that the program will provide. Describe all services and tools that are provided.

Program Objectives & Delivery

Service RCx+ will focus on achieving cost-effective, persistent energy savings through the direct implementation of RCx measures. M&V, through the NMEC Platform, addresses key regulatory concerns by ensuring savings are worthy of ratepayer investment.

Focusing on SoCalGas' large and very large commercial customer segment, Service RCx+ is aligned to deliver cost-effectively on SoCalGas' general and sector-specific objectives as follows:

- Focusing on facilities with symptoms of under-performance, Service RCx+ will cultivate and sustain lasting energy-efficient operations and practices.
- Leveraging a turnkey direct-installation approach, Service RCx+ will meet customers' energy efficiency adoption preferences through a streamlined, simplified offering that directly addresses customer energy efficiency needs.
- Reach large commercial sector customers and untapped potential in Strategic Energy Management savings that encompass retrocommissioning and optimization treatments and build on existing sector-wide penetration from the past.
- Identify high-potential savings targets through up-front consumption data screening and intelligent outreach.
- Increase EE awareness for tenants and facility owners through initial treatment implementation and ongoing performance reporting engagement.
- Build on customer relationships and increased EE awareness to drive additional projects and leverage complementary programs (e.g., OBF) and Account Manager coordination.

Target Markets & Segments

Within the Commercial sector, the program prioritizes segments of Offices, Healthcare, and Laboratories. The primary customer acquisition strategy for the program will be direct outreach to existing Enovity

clients and contact with high-energy using customers with similar facility use characterization, through SoCalGas customer account representatives.

Marketing Strategies and Tactics

The primary customer acquisition strategy will begin with reviewing standard consumption data for key customers in our targeted sectors. Enovity has current relationships with healthcare and laboratory customers and will include them in our immediate outreach. In addition, we will work with SoCalGas account managers to contact other high-energy users identified through a review of general customer data (e.g., billing history, NAICS code, etc.) provided by SoCalGas.

Using the customer's interval data, Enovity will perform an additional analytics-based pre-screening process to identify probable RCx+ opportunities and verify the facility's energy use is predictable enough to enroll in the program. Finally, Enovity will walk each potential customer through the program process and solicit their participation in the program.

We are confident that the program can reach its goals through this strategy primarily due to the expectation of a high participation rate. Additionally, a key aspect of the program noted by the "plus" in Service RCx+ will be to identify additional EE opportunities beyond RCx measures that we can pursue to promote additional participation and drive deeper, more comprehensive energy savings. From experience, we have seen that customers who participate in an initial RCx engagement are more likely to stay engaged and pursue additional EE opportunities once we prove the value of savings. As a result, we anticipate additional delivery of significant energy savings through non-RCx measures implemented in follow-on phases after the first round of RCx measures.

Hard-to-Reach & Disadvantaged Communities

The program is currently not designed to differentiate or focus on HTR or Disadvantaged Communities; therefore, no targets or goals are identified at this time. However, the key elements to Service RCx+ that make it cost-effective are the same elements that position it to serve Hard-to-Reach customers and Disadvantaged Communities. Starting with intelligent outreach to the facilities that need it the most, implementing with the direct-install model, and then building better operation practices through ongoing customer engagement, Service RCx+ removes many of the classic market barriers, putting previously Hard-to-Reach customers and those in disadvantaged communities within reach of RCx services.

Program Incentives and Services Offered

Service RCx+ is a virtual "direct-install" program with customer value delivered in technical (building optimization) services instead of cash incentives or rebates. Customer benefits, designed to overcome market barriers in the target markets, are key in generating customer interest and commitment to the program. These benefits include:

- Increased awareness and understanding of facility energy use
- Optimized facility efficiency and operation
- Turnkey RCx implementation and project management
- Training for operation staff
- Validated energy savings
- Reduced operating costs

Once enrolled, Service RCx+ delivers tangible value to the customer, incentivizing active participation and ultimately realizing persistent savings at the meter through the following program services:

- **Turnkey Implementation:** Streamlined turnkey implementation, thereby eliminating the customer's need to make multiple procurement decisions per project and drastically reducing the need for customer project management resources
- **On-going Customer Engagement:** Ongoing engagement supported by monitoring and savings analysis, which drives both the persistence of savings of initial measures and origination of additional EE opportunities over time
- **Customer Training:** Facility operator training during initial implementation as well as up-front and ongoing energy management information system (EMIS) feedback during the reporting period to empower customers to manage their energy use on their own
- **Metered-Energy Savings:** Demonstrated savings at the meter through ongoing EMIS feedback to the customer that not only tracks savings provided through the program but also prompts the customer to intervene if energy use patterns change unexpectedly or energy savings degrades

Measure Mix, Comprehensiveness, and Deeper Energy Savings

Service RCx+ will focus on achieving cost-effective, persistent energy savings by directly implementing RCx measures and "plus" services that support comprehensive energy projects. M&V, through the NMEC Platform, addresses key regulatory concerns by ensuring savings are worthy of ratepayer investment. In terms of depth, we expect savings to average 10% across the facilities treated.

In addition, if Enovity identifies capital-intensive energy efficiency measures beyond RCx where the customer demonstrates a willingness to invest in such measures, the program will provide the development services needed to make a business case for investment, specify the scope for procurement, connect the client with funding sources, and provide technical support during implementation.

Upon initial treatment and commencing the performance maintenance period, the program will document the opportunities found, the measures implemented, and the supporting information that formed the qualitative basis to deliver savings. Facilities and projects that comprise the program population will have similar types of equipment holdings and drivers and energy consumption levels sufficient to allow the standardized and uniform M&V plan/methodology to meet minimum levels of savings certainty and confidence. While participant candidates may have the superficial appearance of being dissimilar in use (e.g., hospital vs lab vs office), the nature of the systems at these facilities (e.g., occupant space heating, domestic water heating) and their fundamental drivers of energy use (e.g., weather and occupancy schedules) are sufficiently similar to be modeled accurately using a uniform method that provides for the standardized treatment of the input parameters that predict energy consumption. Since the RCx treatments (the program's focus) drive optimized system response to these (similar) drivers of energy use, it follows that the energy savings effects from these projects will also be similar in nature. Additionally, the program will provide a general context for the savings, describing each participant facility's systems, equipment, size, location, and space use.

Ongoing customer engagement over the reporting period will provide an opportunity to measure the actual savings, provide ongoing customer feedback, take corrective actions, provide training, increase utilization of EMIS, and reinforce habits with facility staff. As a result, we expect savings to not only persist over the reporting period but, in many cases, increase during the extended treatment.

Program Design and Best Practices

Describe the program strategies/tactics that will be used to reduce the identified market barriers for the targeted customer group and/or market actor(s). Describe why the program approach constitutes "best practices" and/or "lessons learned." Include descriptions of key software tools that are significant to program strategy and implementation, including audit tools. Provide references where available.

Program Strategies and Tactics to Reduce Market Barriers

Based on experience implementing RCx in a traditional utility incentive program context, we have identified the following barriers and incorporated the described solutions into Service RCx+:

Identified Barrier	Program Design Solution
Misallocated Risk: Stakeholders (Regulating Authorities, Program Administrators, Utility Customers) are dubious on baseline issues, savings persistence, and the complex, prospectively unknown, and highly interactive energy benefits associated with RCx.	Minimize PA and customer risk of investigation and measure performance by offering savings at no cost to customer and structuring program compensation based on performance at the meter.
Cost ineffectiveness: Costs for RCx delivered through typical incentive programs frequently exceed the cost of the projects they intend to influence.	Streamline processes and reduce administration cost by leveraging AMI data and decoupling M&V from measure implementation. Increases the depth and persistence of savings achieved through RCx.
Disproportionately high customer transaction costs: Complex/lengthy procurement requirements, limited management resources, and a lack of in-house expertise.	Eliminate customer procurement costs by providing turnkey project delivery.
Customer eligibility and program complexity fatigue: Stopping and starting to accommodate regulatory steps, having projects denied or discounted due to subjective interpretations of baseline, influence, etc.	Decouple customer implementation schedules from programmatic processes. Streamline processes and reduce administration cost by leveraging AMI data and decoupling M&V from measure implementation.

Best Practices / Lessons Learned

The proposed customer outreach approach was proven successful in our third-party SMART program with PG&E (2013–2016). By performing remote assessments of energy savings potential before visiting customer sites, Enovity and PG&E Account Representative resources prioritized customer outreach on the candidates best qualified for the program's interventions. The analytics also provided prospective customers with personalized estimates of their savings potential, reducing uncertainty on their part and driving the decision to enroll.

We also incorporate insights from our experience engaging tenants through collaboration with real estate owners and managers. For example, we recently worked with a biotech-focused REIT to implement a "Green Challenge" program that served tenant spaces with analytics-informed energy efficiency treatments. Working through the landlord and under their brand, we enrolled several tenants in the challenge. Tenants who elected to participate in the program agreed to share select energy performance data with the landlord and received dashboards and ongoing engagement showing and reinforcing their accumulated energy savings. We plan to replicate this model with participating managers of multi-tenant commercial real estate portfolios.

Key Software Tools

The program will create baseline energy models using H₂O, an open-source distributed machine learning platform, and in conjunction with the R environment. R is an open-source programming environment for statistical computing. R, supported by the R Foundation for Statistical Computing, is widely used among statisticians for statistical and data analysis. The latest version of H₂O, along with documentation, is on H₂O's website, link below.

[H2O](#)

Innovation

Describe how the program is innovative and will increase the uptake of cost-effective energy efficiency and minimizes lost opportunities for promoting other demand side energy reduction efforts by advancing a technology, marketing strategy, or delivery approach in a manner different from previous efforts. See Appendix D for the update innovation definition and requirements.

This program brings an innovative combination of program/project delivery concepts and elements that have all been individually tried and tested. The blending and synergies of these key ingredients make for a very compelling program design that will rapidly drive highly cost-effective savings penetration in a traditionally challenging segment.

As the source of the savings in this program, RCx is typically low-cost to implement but is also notorious (in traditional incentive program designs) for some of the following characteristics:

- high program costs to identify and approve ex-ante savings
- varying/subjective interpretations regarding baseline
- complicated engineering savings models for forecasting and verifying savings
- uncertain outcomes at the meter
- misallocated risk between program stakeholders
- skepticism that savings do not exist/persist in a tangible way

The following aspects of the program design, in combination, unleash the high opportunity and highly cost-effective nature of RCx savings while all but eliminating the RCx program-design sins of the past: NMEC, Interval Data analytics, and Turnkey project delivery.

Populatio-level **NMEC M&V** decouples M&V from the measure identification and implementation process by reducing the need for complex engineering calculations (which are expensive, inaccurate, time-consuming, and a process bottleneck that starts only after measures have been identified yet has to be completed before measures can be implemented). Often, the cost associated with this process exceeds the cost of the measure implementation itself.

In addition to streamlining program implementation, NMEC also addresses key regulatory concerns by ensuring savings are long-lived and worthy of ratepayer investment. NMEC also allows existing conditions as the baseline for savings per the AB802 statute and the subsequent CPUC policy record, removing subjectivity and confusion around industry standard practice and code baselines.

Enabled by NMEC, **turnkey/direct-implementation project delivery** leverages **interval data analytics** to pre-screen and baseline sites ahead of project implementation, allowing immediate implementation (at the risk of the program) as measures are identified. While this model introduces a higher degree of performance risk to the program implementer, it rewards results at the meter. It allows more of the program budget to flow to measure implementation (as opposed to programmatic costs) and drive savings faster. Furthermore, turnkey (no-cost) services also remove the cost objection and split-incentive conundrum frequently expressed by tenants and landlords in a traditional lease structure.

To summarize, combining meter data analytics, turnkey-project delivery, and a streamlined NMEC M&V methodology reduces unnecessary programmatic, administrative and transactional/procurement cost and risk. These cost reductions enable the customer to receive treatment and provide more funding for implementation with increased speed, certainty, and persistence of cost-effective energy savings.

Metrics

Provide metrics that will be used to track program progress. For programs design and implemented by third parties, include the required performance metric for innovation. Metrics can include non-energy metrics if applicable.

The following table identifies the Key Performance Indicators (KPIs) for the Program.

Key Performance Indicators					
%	Category	Company Metric	KPI	KPI Definition	Scoring
15%	Program Performance	Energy Savings	First Year Energy Savings Delivered	To date % achieved of energy savings goal split on an even pro-rata basis	0: less than 70% 1: 70 – 89% 2: 90 – 109% 3: 110 – 129% 4: greater than 130%
15%	Program Performance	Energy Savings	Lifecycle Energy Savings Delivered	To date % achieved of lifecycle energy savings goal split on an even pro-rata basis	0: less than 70% 1: 70 – 89% 2: 90 – 109% 3: 110 – 129% 4: greater than 130%
15%	Program Performance	N/A	Goals/Expenditure Alignment	To date % of energy savings goal / to date % of budget split on	0: less than 60% 1: 60 to 69% 2: 70 to 79% 3: 80 to 89%

Key Performance Indicators					
%	Category	Company Metric	KPI	KPI Definition	Scoring
				an even pro-rata basis	4: 90 to 100%
15%	Program Performance	N/A	Cost-Effectiveness Alignment	Actual TRC Ratio/Pre-Program Approved TRC Ratio	0: less than 59% 1: 60% – 79% 2: 80% – 99% 3: 100% 4: greater than 100%
20%	Program Performance	Cost Per Unit Saved	Levelized PAC Cost	Actual /Forecasted Levelized PAC cost	0: greater than 300% 1: 300% – 160% 2: 150% – 101% 3: 100% 4: less than 100%
10%	Supply Chain Responsibility	N/A	Diverse Business Enterprise Spend	To date % DBE spend/DBE commitment %	0: less than 70% 1: 70% – 89% 2: 90% – 99% 3: 100% – 129% 4: greater than 130%
5%	Service Delivery	N/A	Program Administration and Implementation	Based on Contractor's reporting/data quality, timeliness, invoicing issues, meeting expectations	0–Unsatisfactory 1–Below expectations 2–Meeting Expectations 3–Exceeding Expectations 4–Greatly exceeding expectations
5%	Customer Satisfaction	N/A	Scale from 0-4 rating enrolled participant satisfaction	0: ≥ 0.00 and < 0.50 1: ≥ 0.50 and < 1.50 2: ≥ 1.50 and < 2.50 3: ≥ 2.50 and < 3.50	Annual Reports

Key Performance Indicators					
%	Category	Company Metric	KPI	KPI Definition	Scoring
				4: ≥ 3.50	

To-Code Savings -

Describe how the program complies with Applicable Laws and:

- a. Identify where to-code savings potential resides;
- b. Specify which equipment types, building types, geographical locations, and/or customer segments promise cost-effective to-code savings;
- c. Describe the barriers that prevent code-compliant equipment replacements;
- d. Explain why natural turnover is not occurring within certain markets or for certain technologies; and
- e. Detail the program interventions that would effectively accelerate equipment turnover.

The program offers RCx and operational treatments that are not mandated by, or subject to, code regulation. While customers may opt to install capital intensive measures beyond RCx where to-code savings opportunities may reside, these measures are not the focus of the program. Per Population NMEC rules, all savings will be reported at the program level using the existing conditions baseline.

Pilots

Describe if any pilot projects are part of this program and explain the innovative characteristics to these pilots. The inclusion of this description should not replace the Ideation Process requirements currently agreed by CPUC staff and the IOUs. This process is still undergoing refinements and will be further discussed as part of Phase III of this proceeding (R.13-11-005).

This section is not applicable to the program.

Workforce Education and Training

Describe how the program will support workforce, education, and training to:

1. Expand/initiate partnerships with entities that do job training and placement;
2. Require placement experience for any new partners in the workforce, education, and training programs and new solicitations;
3. Require "first source" hiring from a pool of qualified candidates, before looking more broadly, beginning with self-certification; and
4. Facilitate job connections, by working with implementers and contractor partners, and utilizing energy training centers.

The program provides no formal WET support.

The program will provide training and energy use awareness to customers and their service contractors through collaborative implementation, training, and ongoing engagement throughout the reporting period.

Workforce Standards

Identify all relevant workforce standards that the Implementer deems applicable to the Program, including any specific skills certification and/or broader occupational training and experience for the following:

a. HVAC Measures

i. Installation, modification, or maintenance of non-residential HVAC measures with an incentive of \$3,000 or more are required to be installed by workers or technicians that meet one of the following criteria:

1. Enrolled in and/or completed an accredited HVAC apprenticeship
2. Completed more than five years of work experience at the journey level per California Department of Industrial Relations definition, passed competency tests, and received specific credentialed training
3. Has a C-20 HVAC contractor license issued by the California Contractor's State Licensing Board?

b. Advanced Lighting Control Measures

i. Installation of non-residential lighting control measures with an incentive of \$2,000 are required to be installed by installation technicians who have completed the California Advanced Lighting Controls Training Program (CALCTP).

Service RCx+ is a virtual "direct-install" program with no "incentives" payable to any party.

Enovity utilizes qualified contractors and installers on all projects as a general business practice. As a licensed General Engineering, General Building, and Electrical contractor in California (CSLB #818957 A, B, C-10, C-20), we maintain active registration with the Department of Industrial Relations (#100008303). As a result, we are very experienced with the compliance and reporting requirements for public works projects. In addition, a review of qualifications is a standard component of our subcontracting practices.

The quality of the workforce supporting Service RCx projects is critical to the delivery of expected energy savings benefits and the customer experience. Through our experience as a turnkey energy efficiency service provider and general contractor, we have developed the processes and procedures that assure a consistent selection of qualified and capable subcontractors. This process considers factors such as the following.

Experience with Projects of Similar Size and Complexity

Successful history with similar projects is an important factor while selecting a subcontractor. It indicates the capability of that contractor to handle additional projects from a resource and cash flow perspective.

Staff Qualifications

In addition to the firm experience, the skill levels and the experience of the key staff assigned to the work will be requested. The foreman/superintendent plays an especially critical role in ensuring that the work is executed efficiently while maintaining proper quality.

Licenses and Certifications

We check the validity of all licenses, certifications, and any history of complaints or revocations.

Safety Record

Enovity requires that all potential subcontractors provide evidence of their safety programs, certifications, and licenses, as applicable to each project, as well as their Experience Modification Rate (EMR) and the Total Recordable Injury Rate (TRIR), industry-recognized standard indicators of safety performance. An EMR of more than 1.1 and a TRIR of more than 4.0 triggers additional review and scrutiny of the contractor's safety program.

Bonding Capacity and Insurance Coverage

These are enforced as pass-through requirements of the prime contract.

Ability to Document Prevailing Wage and Certified Payroll

This is a standard requirement of all subcontracts on public works projects.

Workload and Resource Availability

Contractors must provide evidence of the resources available during the anticipated project schedule. This helps identify potential resource conflicts with the contractors' other book of business.

Self-Perform vs. Subcontracting

If the subcontractor plans to outsource some of the work, it adds another layer of risk and complexity to the project in addition to adding costs. Having a clear idea of what work the contractor plans to do in-house and what they will outsource provides a clear understanding of the risk associated with teaming with that subcontractor.

Geographic Presence

Proximity to the proposed project site is beneficial not only to minimize travel cost, it also helps minimize the risk of resource mobilization to the job site. A vendor based closer to the job site will have an advantage in being able to support the project with his best crew, which is usually in high demand.

Disadvantaged Worker Plan

Describe how the program will provide Disadvantaged Workers with improved access to career opportunities in the energy efficiency industry for programs that directly involve the installation, modification, repair, or maintenance of Energy Efficiency equipment. Also describe the method that will be used for tracking this population in order to satisfy metric reporting requirements.

Service RCx+ directly involves the remediation and optimization of energy-consuming equipment and systems. However, due to the collaborative nature of the program with existing facility stakeholders, the opportunity for providing disadvantaged workers not already intimately familiar with the treated facilities is limited. Should the need arise for additional resources, the Program will coordinate with SoCalGas to provide improved access to career opportunities and training for disadvantaged workers and incorporate tracking to satisfy metrics reporting requirements.

Additional Information

Include here additional information as required by CPUC decision or ruling, as applicable. Indicate decision or ruling and page numbers.

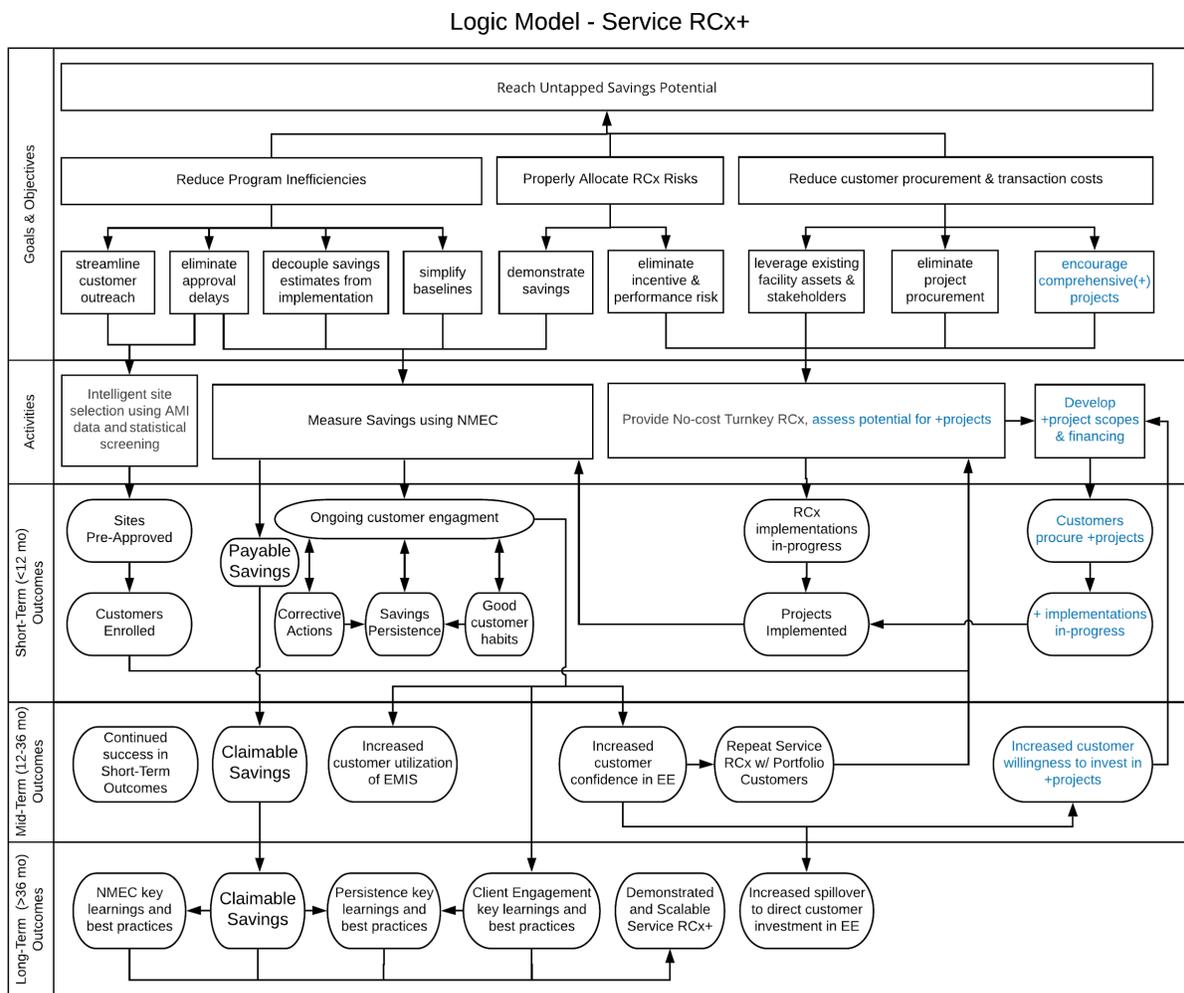
Not Applicable

Supporting Documents

The following documents are attached hereto (in PDF format):

1. Program Manuals and Program Rules (**Under Development**)
2. Program Theory and Program Logic Model: **Program Theory and Logic Models should visually explain underlying program theory supporting the sub-program intervention approach, referring as needed to the relevant literature (e.g., past evaluations, best practices documents, journal articles, books, etc.).**

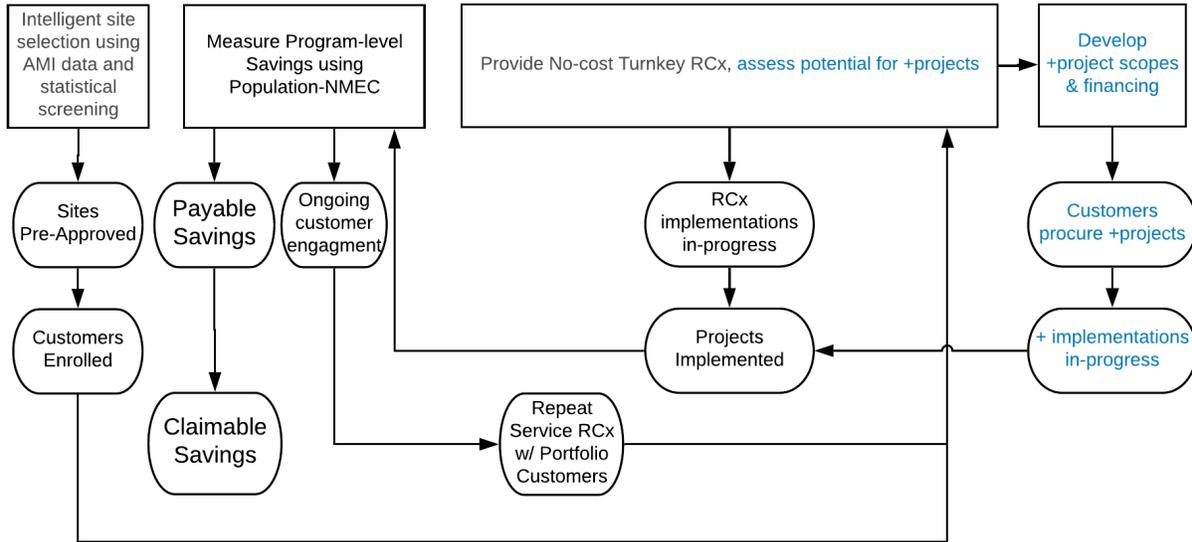
The Logic model provides a visual representation of goals & objectives, activities, and intended outcomes supported by the program design as described in previous sections.



3. Process Flow Chart: **Provide a program or, if applicable, a sub-program process flow chart that describes the administrative and procedural components of the sub-program. For example, the flow chart might describe a how a customer submits an application, how the implementer screens**

the application, the application approval/disapproval process, verification of purchase or installation, incentive processing and payment, and any quality control activities.
 The Process Flowchart provides a visual representation of the key activities.

Process Flowchart - Service RCx+



- Incentive Tables, Workpapers, Software Tools: Provide a summary table of measures and incentive levels, along with links to the associated workpapers.

The table below lists the measures implemented through the program. Incentives, workpapers, and measure-specific software tools are not applicable in the context of this program due to the lack of incentives and the population NMEC M&V methodology.

Program Measures	
#	Measure Name
1	<p>NMEC verified RCx and Operations measures, including but not limited to:</p> <ul style="list-style-type: none"> • Setback scheduling to reduce unnecessary off-hours loads • Scheduling controls to reduce unnecessary off-hours loads • Supply air reset optimization to reduce unnecessary reheat loads • Airflow optimization to reduce unnecessary reheat and ventilation loads • Economizer optimization to reduce unnecessary ventilation loads

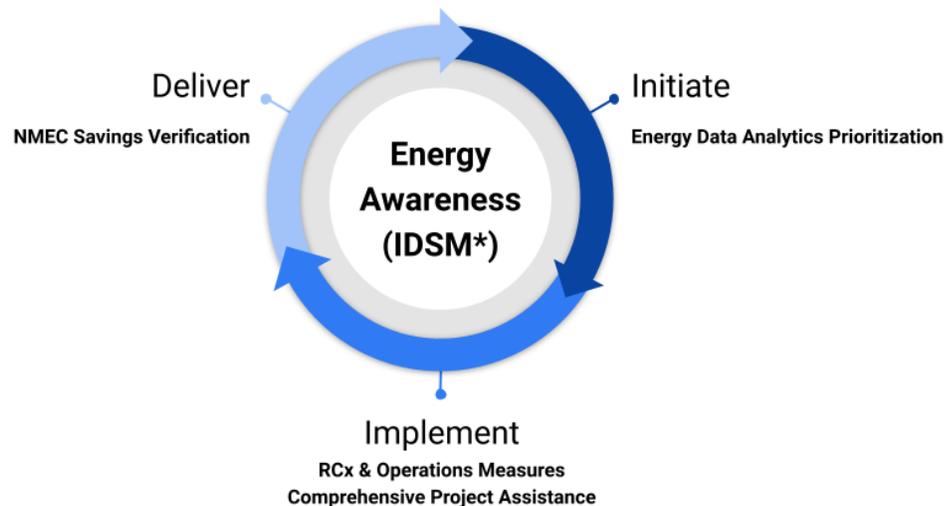
Program Measures	
#	Measure Name
2	<p>NMEC verified Capital measures including but not limited to:</p> <ul style="list-style-type: none"> • Reconfiguration/Upgrade • Replacement • Water Treatment • Economizer • Insulation • Condensate Recovery • Controls • Steam Traps • Heat Recovery • Space Heat. Sys. • Process improvement
3	<p>NMEC verified Ongoing customer engagement services to maintain and drive deeper savings</p>

5. Quantitative Program Targets: Provide estimated quantitative information on number of projects, companies, non-incentive customer services and/or incentives that program aims to deliver and/or complete annually. Provide references where available.

Program Targets	
Metric	Target
Gross Therms	1,325,000
Net Therms	1,258,749
TRC	1.25
Fractional Savings Uncertainty	< +/- 25% @90% Confidence

6. Diagram of Program: Provide a one-page diagram of the program including sub-programs. This should visually illustrate the program/sub-program linkages to areas such as:
 - a. Statewide and individual IOU marketing and outreach
 - b. Workforce Education & Training programs
 - c. Emerging Technologies and Codes and Standards
 - d. Integrated efforts across demand-side management programs

Program Flow



Service RCx+

▶ Enovity 1

* IDSM elements include integration of Energy Efficiency, Energy Conservation, & Advanced Metering, and ongoing engagement and tracking of measure impacts over the reporting period (and potentially beyond) to promote integrated cost-effectiveness and EM&V.

7. Evaluation, Measurement & Verification (EM&V): Describe any process evaluation or other evaluation efforts that the program administrator (PA) or program implementor (PI) will undertake to identify the evaluation needs that must be built into the program, clearly identifying who will be responsible for which evaluation activity. These might include:
 - a. Data collection strategies embedded in the design of the program or intervention to ensure ease of reporting and near-term feedback, and
 - b. Internal performance analysis during deployment
 - c. Performance metrics
 - d. All PAs should indicate what coordination support and funding, if any, they will provide to support program evaluation.

The program provides long-term engagement with program participants, connection to advanced metering infrastructure data, and long-duration M&V process, all of which lends itself to support integrated EM&V. These elements of the program are conducive to integrating novel methods of evaluation for measure EUL, Gross Realization Rates, and potentially net-to-gross using

quantitative econometric analysis. No dedicated support or funding for evaluation is included at this time.

8. Normalized Metered Energy Consumption (NMEC): **If NMEC is applicable please include a detailed Program-level M&V plan, as called for in the most recently updated NMEC Rulebook. The revised Rulebook includes requirements for Program-level M&V plans to be submitted as part of the Implementation Plan:**

Program Level M&V Plan **(Provided Separately)**