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California Energy-Smart Homes All Electric Residential Program Implementation Plan

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Table of Contents

1	Program Overview					
	1.1	Program Budget and Savings1				
	1.2	Implementation Plan Narrative				
2	Suppo	orting Documents14				
	2.1	Program Manuals and Program Rules14				
	2.2	Program Theory and Program Logic Model15				
	2.3	Process Flow Chart				
	2.4	Incentive Tables, Workpapers, Software Tools19				
	2.5	Quantitative Program Targets21				
	2.6	Diagram of Program22				
	2.7	Evaluation, Measurement & Verification (EM&V)24				
	2.8	Normalized Metered Energy Consumption (NMEC)26				

Figures

Figure 1. CPUC Budget Categories	1
Figure 2. Annualized First-Year Energy Savings (Gross)	2
Figure 3. TRC Ratio No Admin Target	2
Figure 4. PAC Ratio Target	2
Figure 5. Customer Recruitment Activities Summary	5
Figure 6. Training Target Audiences	12
Figure 7. Program Logic Model	16
Figure 8. Program Process Flow	17
Figure 9. New Construction Pathway Measures and Incentives	20
Figure 10. Manufactured Housing Incentives	20
Figure 11. Alterations Incentives	21
Figure 12. New Construction Installation Targets by Dwelling Unit	21
Figure 13. New Construction Incentive Targets	21
Figure 14. Alteration Installation Targets by Technology	22
Figure 15. Alteration Incentive Targets	22
Figure 16. Program Diagram	23
Figure 17. New Construction QA/QC Process	25

1 Program Overview

1.1 Program Budget and Savings

Program and/or Sub-Program Name

California Energy-Smart Homes All-Electric Residential Program (Energy-Smart Homes)

Program/Sub-Program ID Number

SW_RNC_ELEC

Program/Sub-Program Budget Table

CPUC Cost Categories	2021	2022	2023	2024	2025	2026	2027	Total Budget
Administration	\$38,850	\$514,554	\$326,368	\$304,649	\$317,595	\$322,530	\$5,250	\$1,829,795
Marketing & Outreach	\$141,800	\$451,054	\$317,368	\$283,649	\$296,595	\$0	\$0	\$1,490,465
Direct Implementation Incentives & Rebates	\$0	\$348,128	\$4,006,600	\$5,955,184	\$6,458,264	\$8,006,776	\$0	\$24,774,951
Direct Implementation Non-Incentive	\$476,350	\$2,448,135	\$2,473,258	\$2,310,559	\$2,047,617	\$1,737,288	\$5,250	\$11,498,457
TOTALS	\$657,000	\$3,761,870	\$7,123,593	\$8,854,041	\$9,120,070	\$10,066,594	\$10,500	\$39,593,669

Figure 1. CPUC Budget Categories

California Energy-Smart Homes All-Electric Residential Program

Metric	2022	2023	2024	2025	2026	Total
MWh	2,317	10,093	5,440	798	(8,099)	10,550
kW	2.54	(48.89)	(122.06)	(179.73)	(242.49)	(591)
therms	6,446	225,076	457,257	603,061	833,138	2,124,977
MMBtu	8,551	56,941	64,278	63,015	55,659	248,443

Program/Sub-Program Gross Impacts Table

Figure 2. Annualized First-Year Energy Savings (Gross)

Program/Sub-Program Cost-Effectiveness (TRC)

Calendar Year	Target
2021	0.00
2022	1.43
2023	1.43
2024	1.52
2025	1.63
2026	1.73
2027	0.00

Figure 3. TRC Ratio No Admin Target

Program/Sub-Program Cost-Effectiveness (PAC)

Calendar Year	Target
2021	0.00
2022	0.33
2023	1.07
2024	1.20
2025	1.29
2026	1.39
2027	0.00

Figure 4. PAC Ratio Target

Type of Program/Sub-Program Implementer

This is a residential new construction program, serving new construction projects as well as alterations where the participant will be installing electric appliances and equipment rather than natural gas appliances and equipment or is completely removing all natural industry-standard gas appliances and equipment to install electric appliances and equipment, constituting a complete change in technology. TRC is serving as the third-party implementer for this program.

Market Sector

The program serves single-family (including accessory dwelling units and additions,) low-rise multifamily (three or fewer stories), and manufactured housing. The nonresidential new construction program serves multifamily high-rise new construction.

Program/Sub-Program Type

The California Energy-Smart Homes All-Electric Residential program is a resource program that supports the long-term success of the residential energy efficiency new construction market.

Market Channel(s)

This is a downstream program offering incentives directly to builders, developers, and home/property owners.

1.2 Implementation Plan Narrative

1.2.1 Program Description

The California Energy-Smart Homes All-Electric Residential Program focuses on supporting a high-level approach to achieving California's advanced energy efficiency policy goals through 2025. TRC will leverage our experience and success in California's residential new construction (RNC) market, Building Decarbonization Coalition study findings¹, and existing relationships with RNC builders, developers, and trade allies (e.g., energy consultants, contractors) to engage with builders and developers to recruit potential projects and convince them to build all-electric. The program is available to customers in the Pacific Gas and Electric (PG&E), Southern California Edison (SCE), and San Diego Gas and Electric (SDG&E) territories.

The all-electric program offering will serve four residential sub-sectors:

- Single family and duplexes
- Multifamily low-rise (three or fewer stories)
- Manufactured housing
- Accessory dwelling unit (ADUs,) and addition/alteration (A&A, additions greater than 700 square feet)

The objective of the program is to influence the decision and ease the transition to adopt all-electric new construction practices. To accomplish this, the program will educate potential participants and stakeholders on the features of all-electric homes, enroll projects, emphasize the installation of advanced energy efficiency measures, and facilitate future opportunities through non-incentivized, prerequisite measures that position homes to install high-impact demand response technologies more easily in the future. Additional program objectives include:

 Incorporating grid harmonization and utility communication-enabling measures as prerequisites in RNC design, allowing for more easily achievable demand flexibility and grid integration in the near future

¹ <u>http://www.buildingdecarb.org/uploads/3/0/7/3/30734489/bdc_all_electric_survey_report_final_2019-08-1.pdf</u>

- Shifting the market further in favor of all-electric and reducing use of electric resistance technologies for space and water heating in manufactured homes
- Educating home buyers on the life cycle cost savings associated with an all-electric home
- Overcoming misperceptions about fuel-substitution

1.2.2 Program Delivery and Customer Services

Customer Engagement

Program implementation will follow a classic custom project track of recruitment, application review, plan review (including custom project review), enrollment, construction/installation, verification, incentive delivery, tracking, and reporting. Under the guidance of a case manager, participants will partake in educational webinars, and receive design and technical assistance to further understand how to maximize or increase the value of program participation. The case manager will serve as the projects' point of contact for the duration of the program, facilitating projects through the program process.

Our technical assistance will coordinate with and leverage Energy Code Ace's training and resources and work closely with the California Association of Building Energy Consultants (CABEC), the state's trade organization for Title 24 energy modelers. The California Energy-Smart Homes All-Electric Residential program will leverage CABEC's code training and education resources and annual conference to engage with key program participants. The program will require that all participating single family, duplex, multifamily low-rise, and additions projects submit Title 24 energy models authored by professionals that hold CABEC's residential Certified Energy Analyst (CEA) designation.

TRC will leverage existing relationships using strategies tailored to each residential sub-sector based on updated marketing analysis conducted during the launch phase. Figure 5 outlines the program's customer acquisition objectives, activities, and materials across all sub-sectors.

	Objectives					
Enroll participants in program	Equip stakeholders to understand program value and advocate for participation	Ensure projects serving HTR and DAC communities represent 20% of program portfolio dwelling units				
	Activities					
 Conduct targeted phone and email outreach 	 Host trainings and webinars to educate targeted audiences 	 Develop research-based targeted messaging and collateral that aligns with decision-maker interest 				
Conduct email and social media marketing	Develop and distribute tailored campaign	Promote program through leveraged relationships				
 Promote program through leveraged relationships (e.g., past participants), 	materials to communicate value of all-electric home	with trusted networks that serve HTR and DAC communities				
trusted networks (e.g., influential trade/industry organizations), and industry event attendance	/	 Deliver lunch and learns, webinars, and trainings to CBOs and other organizations serving HTR and DAC communities to communicate program value and foster program advocates 				
	Channels					
	Trade/Industry Organizations and Networ	ks				
Single-Family/Duplex: CABEC, CA Building In-	dustry Assoc., CA Coalition for Rural Housing, Habit	at for Humanity				
Multifamily Low-Rise: CABEC, CA Apartment	Assoc., CA Rental Housing Assoc., Housing CA					
Manufactured Housing: CA Manufactured Housing: Systems Buildings Research Alliance, Northwo	ousing Institute, Western Manufactured Housing Co est Energy Works, Next Step Network, Prosperity No	ommunities Assoc., Manufactured Housing Institute,				

Customer Engagement Objectives, Activities, and Materials

Additions and Alterations: CA Apartment Assoc., CABEC, Southern California Assoc. of Non-Profit Housing, Non-Profit Housing Assoc.

Target Audiences and Decision Makers

Single-Family/Duplex: builders, homeowners, residen	its	Manufactured Homes: retailers, park owners, managers, retailers, residents		
Multifamily Low-Rise: developers/owners, managers,	residents	Additions and alterations: contractors, design teams, developers, owners, residents		
		Materials		
Email and phone scriptsProgram website	Case studiesE-blasts	 Tailored value proposition campaign materials Program factsheets and collateral 		



Project Processing and Data Tracking for Codes and Standards Advancement

To manage program data, TRC will use our Captures system, a comprehensive workflow management and tracking tool. Captures tracks energy savings projects and measure data in detail, while maintaining the flexibility to adapt the tool to specific program needs. We will tailor Captures to precisely reflect the required customer, marketing, measure, incentive, operational process, and reporting requirements.

Captures supports drill-down details, tracking, and reporting, allowing IOUs to review metrics focused on state, service territory, neighborhood, period-of-time, measure detail, inspection detail, and more. Captures will track Key Performance Indicators and program achievements and provides the following features:

- Serves as the primary, day-to-day program management tool for outreach and intake staff, technical staff, operational teams, field teams, subcontractors, program managers, and PG&E program manager
- Transfers real-time data to any IOU-specified system via an easily designed and implemented API or FTP process at regular intervals and on an ad-hoc basis
- Stores program energy savings data, incentive dollars, and individual measure details
- Provides ongoing data management, tracking, and reporting of measures; unit completions; realized savings; costs; and other target achievement metrics
- Supports the production of required weekly, monthly, and annual program forecasts and reports
- Provides all data that the IOUs require to support program processes execution and impact evaluations, including tracking system data files
- Provides all data that the IOUs require to support Codes and Standards data. This data capture
 includes sources and methods that go beyond what previous residential new construction
 programs have traditionally captured.
- Provides secure host support and web-based access for IOU personnel to access reports and dashboards
- Establishes data security for all IOU customers

1.2.3 Program Design and Best Practices

Reducing Market Barriers

The sections below summarize TRC's approach to reduce market barriers across the different subsectors.

Single Family and Duplex New Construction

The single family and duplex markets present an opportunity to enroll homes on a large scale with production builders. By enrolling one builder, the program can influence many properties simultaneously. TRC will implement a customer acquisition strategy specific to single-family and duplex decision-makers. The bullets below summarize our communication goals by target audience:

- **Builders/Developers:** Educate about program opportunities and incentives while demonstrating the benefits of an all-electric development including reduced construction costs from eliminating gas hookups and metering, encourage early intervention and decision points to confirm program buy-in and enrollment in the program
- Energy Consultants: Educate about the program, establish them as program advocates while supporting them to leverage knowledge of and relationship with builder clients, encourage program application and engagement on behalf of builders/developers
- **Design Teams:** Educate and engage architects and engineers about the program to influence them to include Energy-Smart Homes program requirements in their building plans

Multifamily Low-Rise New Construction

The multifamily sub-sector will allow the program to influence many housing units simultaneously and will provide a pathway to serve affordable and disadvantaged communities. As such, engaging with multifamily developers is key to enrolling multifamily low-rise properties. The bullets below summarize our communication goals by target audience:

- Developers/Owners: Educate about the program, demonstrate the benefits of an all-electric development including reduced construction costs from eliminating gas hookups and metering, encourage early intervention and decision points to confirm program buy-in and enrollment in the program
- Energy Consultants: Educate about the program, establish them as program advocates while supporting them to leverage knowledge of and relationship with builder clients, encourage program application and engagement on behalf of builders/developers
- **Design Team:** Educate and engage architects and engineers about the program so they include program requirements in building plans

TRC will educate developers and owners about best practices and benefits, including improved resident health and safety. To facilitate and support commitment to all-electric building early in the design process, TRC will maintain engagement with developers across portfolios of rolling and upcoming projects to identify all-electric building opportunities early, pre-design, and influence their decisions.

The program will not actively recruit high-rise multifamily projects. If a developer approaches the program with a high-rise project, TRC will help the developer to understand the differences between multifamily low-rise and high-rise eligibility across programs and provide a warm handoff to the nonresidential new construction program team. If a project includes both high-rise and low-rise buildings, TRC will work closely with the project and the nonresidential new construction program team to facilitate participation in both programs as appropriate.

Manufactured Homes

TRC has existing relationships with three manufacturers that hold nearly 70% of the market. This subsection's target audience includes both homeowners and park property owners as some park owners purchase the units and lease them to residents. Most manufactured housing units are shipped without HVAC. The program will influence both home and park owners to purchase HVAC units through manufactured home retailers at the point of sale, to purchase certified units. The program will also

California Energy-Smart Homes All-Electric Residential Program

incentivize the installation of heat pumps instead of electric resistance equipment in the certified units. The bullets below summarize our communication goals by target audience:

- **Manufactured Housing Factories:** Educate about program opportunities so they influence retailers to participate
- **Manufactured Housing Retailers:** Educate about program benefits and develop them as program ambassadors for their buyer clients
- **Park Property Owners and Managers:** Educate about the program to convince owners to purchase all-electric units, install heat pump space heating (HPSH) and heat pump water heater (HPWH) equipment
- **Homeowners:** Educate homeowners of alterations projects on their energy-efficient homes and equipment

Additions, Alterations, and ADUs

The program will support custom homes, additions, small developments, and ADUs with design assistance and incentives. TRC will apply a passive customer acquisition strategy for these buildings, relying on the same contractors and certified energy consultants (CEAs) that we are already engaging for other target markets to bring projects to the program.

The program will treat additions distinctly from alterations because the target audiences and decisionmakers differ. For all-electric alterations, recruitment will primarily target HVAC and plumbing contractors providing equipment replacements and multifamily property managers seeking building improvements. In coordination with all possible conflicting mid- and up-stream energy efficiency programs, TRC will confirm that the customer is participating in the most appropriate program and not receiving multiple incentives for the same equipment.

Messaging will focus on the specific benefits of converting to all-electric end uses such as better indoor air quality, improved cooking control with induction stoves, reduced operational expenses, and climate change mitigation support. The bullets below summarize our communication goals by target audience:

- **Contractors:** Educate about program opportunities and incentives, turning them into program advocates
- Property Managers/Owners: Educate about retrofit and savings opportunities. Educate owners and residents of alterations projects on long term operational cost reductions and home health impacts of all-electric homes
- **Residents:** Educate about the benefits of all-electric equipment and homes

Hard-to-Reach and Disadvantaged Communities

TRC will target to achieve 20% of program dwelling units and savings from hard-to-reach (HTR) and disadvantaged community (DAC) populations. The program interprets HTR/DAC customers as low-income designated properties (see income details below) since new construction programs target builders and developers versus individual customers. TRC will conduct market research using Department of Housing and Community Development (HCD) and California Tax Credit Allocation Committee (TCAC) opportunity maps and the residential population within the census tracts designated as DACs by CalEnviroScreen 4.0, to identify new construction in areas high concentrations of housing-

burdened, low-income households. Because multifamily low-rise and manufactured housing properties provide critical housing for low-income residents, we will identify areas with high concentrations of multifamily low-rise, manufactured housing, and low-income households. To identify prospective properties and demographics and inform our outreach plan, we will analyze these areas based on the following criteria:

- **TCAC/HCD Opportunity Mapping:** Used for designating annual 9% low-income housing tax credits (LIHTC) and for identifying areas of concern from a fair housing perspective—such as high-poverty and racially segregated areas.
- **Pollution Burden Indicators:** Regions representing potential exposure to pollutants and adverse environmental conditions caused by multiple sources of pollution. TRC will use CalEnviroScreen 4.0 data to identify zip codes identified with pollution burden and population characteristic scores of >60-70.
- Income: Zip codes where a high proportion of residents qualify for California Alternate Rates for Energy or Family Electric Rate Assistance Program rates. TRC will use recently completed research (compiled in coordination with PG&E and Athens Research) to identify zip codes where 50% or more of residents qualify as low-income and will cross-reference these with DAC communities.
- Language: Regions where English is the second language (ESL), such as Latinx communities in the Central Valley and San Diego County and Asian communities in the greater Bay Area and Sacramento regions. We will use U.S. Census and other market data to identify additional regions with high populations of ESL residents.
- **Geography:** Communities with low or no prior participation in residential energy programs, particularly rural counties.

TRC will continuously evaluate and adjust program marketing strategies to reach the HTR and DAC goal.

Best Practices

The California Energy-Smart Homes All-Electric Residential program design leverages best practices in program implementation to ease the transition to all-electric new construction practices. To influence enrollment, TRC will work with project team members, particularly CEAs supporting the projects, to educate the team about the features of an all-electric home and high-impact technology or measure options.

To track program influence, in addition to participant surveys, the program will document the design assistance and educational process, through which TRC will receive participant feedback on the challenges, resolutions, and best practices of switching to an all-electric design intention. Examples of design assistance include integrated design support feedback through design charrettes, program webinars, and recommendations made during plan review. The program will use these examples to assist future projects and inform new content for our all-electric education and training resources.

The program includes additional strategies for demonstrating cost-effective energy efficiency demonstrated by the program including:

California Energy-Smart Homes All-Electric Residential Program

- **Outreach:** A statewide program awareness campaign will leverage our existing relationships to raise awareness for the program, support enrollment goals, and facilitate messaging that includes market-rate, affordable, and Hard to Reach/Disadvantaged Communities throughout the service territory.
- Stakeholder Education: Using digital communications and in-person events, the program will strengthen relationships with industry associations like CABEC, California Building Industry Association, non-profit housing associations, and apartment associations. Delivered through targeted marketing including print, digital communications, and events, the marketing team's messaging strategy will drive participation by promoting the program among these key industry stakeholders.
- **Flexibility:** While the program will work with builders and developers to help them achieve the above-code performance necessary for program participation, the program will not dictate specific measures but will allow each participant to make choices that it identifies as cost-effective and functional for its projects to reach the above-code performance target with the construction quality and amenities of each builder and developer.
- Program Evolution Review: Our team will work with PG&E and the IOUs in the final quarter of each calendar year to plan cost-effectiveness and market transformation improvements for the following year. Specifically, For the 2022 Title 24 code update effective January 1, 2023, TRC will initiate program improvements and design updates in mid-2022 to review with PG&E. To facilitate timely customer outreach and education regarding the impending change, TRC will work with PG&E to finalize new program rules no later than November 2022.
- Aging Report: As an output from our Captures system, this report enables TRC to develop comprehensive forecasts that show future program energy savings, measure-specific performance, energy savings, program cost-effectiveness projections, and incentive totals by month.
- **Support for Future Code Measures:** As available through available performance modeling software, the program will grant performance credit for measures or performance modeling options anticipated to be included in future code cycles.

1.2.4 Innovation

The all-electric offering incorporates the following innovative program design elements.

- Pre-Requisite Measures to Enable Future Engagement and Further Savings: The new construction pathway, for single-family (not including ADUs or additions), duplex, and multifamily low-rise, will require that the builder installs a suite of specific enabling technologies: communicating thermostats, segregated circuits for energy monitoring readiness, electric vehicle charging infrastructure pre-wiring, battery storage readiness, and thermostatic mixing valves. These are prerequisite requirements for participation; the program does not incentivize these measures.
- Advance Electrification Adoption through Performance-Based Incentives: The program's new construction pathway will leverage approved California Title 24 Part 6 compliance software and home energy rating system (HERS) verification processes to capture efficiency improvements over code-built homes, issuing escalating incentives based on improvement over code as measured by the efficiency delta EDR (energy design rating). Participating builders can increase their incentive using any efficiency measure that yields code performance credit, including

HVAC, envelope, hot water, and HERS verification procedures. All new construction pathway buildings must be all-electric without gas metering or in-home infrastructure. The program will require heat pump water heating, heat pump space conditioning, an induction cooktop, and a 220V outlet at the dryer location or an installed heat pump clothes dryer.

• Financial Assistance for Alterations Project: As part of the program design, the program introduces financing and funding resources during customer engagement through a partnership with the National Efficiency Improvement Fund (NEIF). NEIF offers energy efficiency financing for residential and commercial projects, including on-bill financing options. NEIF will provide a customized program portal, where participating customers can apply for financing and NEIF's portal will identify the best lender, for every particular project and financial situation.

1.2.5 Metrics

The California Energy-Smart All-Electric Residential Program tracks progress using the following metrics

- Project energy savings (kWh, kW, therms)
- Program cost-effectiveness
- Actual savings vs. goal
- Budget spent
- Savings to budget alignment
- Customer satisfaction by IOU territory
- Savings forecast accuracy
- Engineering quality
- Measure installation pass rate
- Project data completeness
- Customer and builder diversity

1.2.6 For Programs Claiming to-Code Savings:

The California Energy-Smart Home All-Electric Residential Program does not claim to-code savings.

1.2.7 Pilots

Per the solicitation for this program, the program does not include any pilots.

1.2.8 Workforce Education and Training

To promote the program, TRC will host a series of trainings and webinars to educate targeted audiences. Trainings will focus on program eligibility, the participation process, and the benefits of all-electric construction. Where possible, TRC will engage workforce education and training programs to promote the development of a valued, skilled workforce within DACs. Figure 6 illustrates potential trade/industry organizations, networks, and decision-makers that we will target. Section 1.2.10. Disadvantaged Worker Plan has additional detail regarding DAC engagement.

Project Type	Trade/Industry Organizations and Networks	Target Audiences and Decision Makers
Single Family/Duplex	CABEC, California Building Industry Association, California Coalition for Rural Housing, Habitat for Humanity	Energy consultants, builders, design teams
Multifamily Low-rise	CABEC, California Apartment Association, California Rental Housing Association, Housing California, Southern California Association of Non-Profit Housing, Non- Profit Housing Association	Energy consultants, developers, design teams, owners
Manufactured Housing	California Manufactured Housing Institute	Retailers, park owners, park managers
Additions, Alterations, & ADUs	California Apartment Association, CABEC, Southern California Association of Non-Profit Housing, Non-Profit Housing Association	Contractors, design teams, developers, energy consultants, owners, residents

Figure 6. Training Target Audiences

1.2.9 Workforce Standards

The California Energy-Smart Homes All-Electric Residential Program includes HVAC measures, particularly for large low-rise multifamily buildings installing significant HVAC measures. The program requires HVAC equipment to be installed correctly and appropriately to produce forecasted savings while providing the level of service required. We will implement stringent certification, license, background check, and insurance coverage requirements for contractors that support the program. Specific to HVAC, we will require HVAC installation technicians to have C-20 HVAC contractor licenses from the California Contractor's State Licensing Board. TRC will require contractors to supply documentation that demonstrates and maintains compliance throughout the program term. Case managers will work with program participants to collect proper credentials prior to any work being performed. TRC will maintain these records to demonstrate compliance throughout the life of the program.

1.2.10 Disadvantaged Worker Plan

To facilitate job support for disadvantaged workers, TRC will partner with industry associations to bring the workforce training and skill development necessary to support the program design. Our current partnerships with the Building Industry Association, CABEC, various industry, and multifamily housing associations, and IOU training centers provide us with the proper channels to inform and deliver workforce training in support of this program. To track disadvantaged worker participation in the program, we will include optional response opportunities for participants to provide disadvantaged worker information. This will include the number of jobs and demographic and geographic worker information, as available. The program's participation terms and conditions outline this part of the project closeout process. Through our training partnerships, as possible, we will track the number of disadvantaged workers trained (status disclosed voluntarily through training attendance tracking), the number of trainings completed, and any applicable credentials or certificates that the program awards to disadvantaged workers.

1.2.11 Additional Information

Not applicable.

2 Supporting Documents

2.1 Program Manuals and Program Rules

The following sub-sections provide program detail as part of the program implementation plan. Full program rules will be part of the program policies and procedures manual, which is under development at this time.

2.1.1 Program Requirements

The California Energy-Smart Homes All-Electric Residential Program offers electrification measures for residential new construction and alterations projects. Eligible building types include new single-family, duplex, multifamily low-rise, accessory dwelling units (ADUs), and additions, and alterations to single-family, duplex, multifamily low-rise buildings. The program uses custom and deemed savings approaches and platforms to identify savings and incentives.

Below, Section 2.4 Incentive Tables, Workpapers, Software Tools, provides a list of measures for each project type.

2.1.2 Eligibility Requirements

To be eligible for program participation, customers must:

- Construct a new single-family, duplex, multifamily (three stories or fewer) building, ADU, or install a manufactured home; or complete an alteration project on an existing single-family, duplex, or multifamily building. The program considers an alterations project eligible when the project:
 - Changes design or technology (replacing fossil fuel combustion equipment, with heat pumps)
 - Removes gas meters (but not natural gas piping infrastructure)
- Receive electric service from PG&E, SCE, or SDG&E
- Meet minimum program energy efficiency performance thresholds, certification criteria, or equipment specifications as defined by each project type
- Complete and sign an online program participation agreement, including agreeing to program Terms and Conditions
- Not receive incentives for the same measures or scope of work from other public purpose programs
- Adhere to all applicable federal, state, and local laws and codes

2.1.3 Quality Assurance and Quality Control

The program's quality assurance and quality control (QA/QC) procedures take a phased approach that includes customer project application and documentation review, PG&E and CPUC custom project review, QC protocols, HERS registry validation, and rater confirmation. TRC will conduct field verification on 15% of all units. A full QA/QC plan will accompany the program's management plan.

2.2 Program Theory and Program Logic Model

The program aims to increase the adoption of all-electric construction in the residential sector. Figure 7 illustrates the program's goals, outputs, and outcomes.



Figure 7. Program Logic Model

2.3 Process Flow Chart

Figure 8 illustrates the paths that projects will take through the program.



Figure 8. Program Process Flow

New construction projects will go through the following program phases:

- Recruitment: TRC will conduct direct outreach to recruit projects
- **Application Review:** TRC will collect and review all project data, as outlined in the program's Quality Assurance and Quality Control Plan, for completeness and accuracy in order to ascertain program compliance and energy savings.
- Early Policy Review (optional): TRC sends memo with project specifics and any policy or eligibility question to PG&E for an early policy review whenever there is a question about policy implications or eligibility for a project. For example, a project located in a jurisdiction with a reach code that might affect the avoided gas infrastructure costs or is participating in another program that might affect the incentive levels, the incremental measure costs, and/or project eligibility.
- Plan Review: TRC will examine all documents and files provided for project plan review to verify eligibility and compliance. Per the program's Quality Assurance and Quality Control (QA/QC)
 Plan, TRC will compare project plans/drawings to the performance building simulation models to

help ensure accuracy, and work with project teams to address any issues and secure updated documentation as necessary prior to confirming anticipated enrollment details.

- **Custom Project Review (CPR):** TRC sends a complete project enrollment documentation package, including all relevant project information, and all energy models and compliance documentation for all plan types, as outlined in the program's QA/QC Plan, via secure data transfer to PG&E for custom project review and listing, for possible review, on the CPUC bimonthly list once approved.
- Enrollment: TRC will enroll the project in the program and sends all enrollment documentation to the project team.
- **Construction and Installation:** Participants will construct and install projects over a two- to three-year period and submit incentive request forms (IRF) as homes/buildings complete construction.
- **Verification:** TRC will verify project completion via document submittal and coordination with HERS registries and raters. TRC will review final as-built documents for each home/building on the HERS registry to verify they match the plans approved during the CPR process.
- **Project Adjustment (when necessary):** If during the as-built review process TRC identifies any changes to the design that would affect energy savings or incentives, TRC will send these project adjustments through the CPR process for approval
- Completion and Incentive Payment: After confirming all submitted homes/buildings, submitted on the IRF, have completed construction, and have been pre-approved through the CPR process, TRC will invoice PG&E for participant project incentives. Upon payment receipt from PG&E, TRC will issue payment via check to the project payee.

Manufactured housing projects will go through the following program phases:

- **Application Submittal:** Projects will submit an application via the program portal documenting certification and bonuses
- Enrollment: TRC will enroll the project in the program, confirming projected energy savings and incentive amounts
- Verification: TRC will verify satisfaction of eligibility requirements and project completion via document submittal
- **Completion and Incentive Payment:** After confirming project details, TRC will invoice PG&E for participant project incentives. Upon payment receipt from PG&E, TRC will issue payment via check to the project payee.

Alterations projects will go through the following program phases:

- **Recruitment**: TRC conducts direct outreach to recruit projects through installer networks
- Construction and Installation: Projects install program eligible fuel-switching measures
- Application Submittal: Projects submit an incentive application documenting electrification measures
- Verification: TRC will review the application and all project documentation, as outlined in the program's Quality Assurance and Quality Control Plan, to verify measure eligibility requirements and installation.

 Completion and Incentive Payment: After confirming project details, TRC will submit all project documentation, including anticipated grid impacts, along with an invoice to PG&E for participant project incentives. Upon payment receipt from PG&E, TRC will issue payment via check to the project payee.

2.4 Incentive Tables, Workpapers, Software Tools

The program will serve four residential sub-sectors:

- Single-family and duplexes
- Multifamily low-rise (three or fewer stories)
- Manufactured housing
- Addition, alterations (additions greater than 700 square feet), and accessory dwelling unit (ADUs)

New Construction Pathway

The program will serve new construction of single-family/duplex, and multifamily low-rise buildings. This pathway will leverage approved California Title 24 compliance software. Incentives will be dependent on installed project savings. The program will pay builder/developer incentives on an escalating scale (with a bonus incentive for each additional 0.1 EDR above entry) for above-code all-electric construction. Figure 9 outlines the new construction measure codes and incentives by project type.

	Measure	Base Incentive Delta EDR≥1.0				Escalating
Project Type	Code	2022	2023	2024	2025 - 2026	Incentive
Single Family/ Duplex	CIB11 ² , CIB14 ³ , CIB15 ⁴ , CIB16 ⁵ , CIB17 ⁶	\$3,500	\$2,900	\$2,500	\$2,200	\$10
Multifamily Low-Rise	CIB12	\$2,200	\$1,800	\$1,500	\$1,200	\$5
Additions and ADUs	CIB11 ⁷ , CIB14 ⁸ , CIB15 ⁹ , CIB16 ¹⁰ , CIB17 ¹¹	\$1,750	\$1,450	\$1,250	\$1,100	\$5

² INTEGRATED BUILDING-RES-SINGLE FAMILY - WHOLE HOUSE0%-14.99%

- ³ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE 15-20%
- ⁴ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE 21-30%
- ⁵ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE 31-40%
- ⁶ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE >41%
- ⁷ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE0%-14.99%
- ⁸ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE 15-20%
- ⁹ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE 21-30%
- ¹⁰ INTEGRATED BUILDING-RES-SINGLE FAMILY WHOLE HOUSE 31-40%

¹¹ INTEGRATED BUILDING-RES-SINGLE FAMILY - WHOLE HOUSE >41%

Figure 9. New Construction Pathway Measures and Incentives

Manufactured Homes

The program will provide a two-tiered deemed incentive for all-electric units that achieve either ENERGY STAR[®] v.2 (tier 1) or Northwest Energy Efficient Manufactured 2.0 (aka NEEM+) (tier 2) certification. Homebuyers will receive additional incentives for installing heat pump space heating (HPSH) and/or heat pump water heaters (HPWH) in lieu of electric resistance. Figure 10 demonstrates incentives for each certification package.

Incentive Type	Measure Code LM332	Incentive
Paca Incontivo	ENERGY STAR	\$1000
base incentive	NEEM+	\$1,500
	HP Space Heating	\$250
Bonus Incentives	Ductless HP Space Heating	\$500
	HP Water Heating	\$500

Figure 10. Manufactured Housing Incentives

Alterations

The program will provide deemed incentives for alterations to existing single-family homes, duplexes, and multifamily low-rise buildings that convert all the gas appliances and equipment to advanced electric systems. Incentives will be paid after measures are verified as eligible, installed, and operational.

Figure 11 provides a summary of the deemed measure offerings and associated workpapers.

Measure Code	Description	Workpaper	Incentive
SWAP014A, SWAP014B, SWAP014C, SWAP014D, SWAP014E, SWAP014F	Heat Pump Clothes Dryer Replacing Gas Clothes Dryer	SWAP014-01 (https://www.caetr m.com/measure/S WAP014/01/)	\$500 per heat pump dryer
SWHC044A, SWHC044B, SWHC044C, SWHC044D, SWHC044E, SWHC044F, SWHC044G, SWHC044H	Ductless Mini-Split Heat Pump (SEER 15 to SEER 18, HSPF 8.5 to HSPF 8.8)	SWHC044-01 (https://www.caetr m.com/measure/S WHC044/01/)	\$325 per ton for MFLR buildings
SWHC045A, SWHC045B, SWHC045C, SWHC045D, SWHC045E, SWHC045F, SWHC045G, SWHC045H	Residential Central Heat Pump Replacing Residential Split Air	SWHC045-01 (https://www.caetr m.com/measure/S WHC045/01/)	\$90 per ton for SF homes

California Energy-Smart Homes All-Electric Residential Program

	Conditioner and Furnace		
SWWH025A, SWWH025B, SWWH025C, SWWH025D, SWWH025E, SWWH025F, SWWH025G, SWWH025H, SWWH025I, SWWH025J, SWWH025K, SWWH025L, SWWH025M, SWWH025N, SWWH025O, SWWH025P, SWWH025Q, SWWH025R, SWWH025S, SWWH025T	Heat Pump Water Heater Replacing Storage or Tankless Natural Gas Water Heater	SWWH025-02 (https://www.caetr m.com/measure/S WWH025/02/)	\$450 per HPWH

Figure 11. Alterations Incentives

TRC will track these workpapers and verify that the program only issues incentives for qualified measures with approved deemed savings values. New deemed measures may be pursued by the program over the life of the contract as they are added to the eTRM and/or DEER or other approved sources. Workpapers and measures may be added or deleted based on CPUC rulings throughout the lifetime of the program.

2.5 Quantitative Program Targets

Figures 12-15 below summarize program targets by installations and incentives across new construction and alterations projects.

Sectors	2022	2023	2024	2025	2026	Total
Single Family/Duplex	25	825	1600	2000	2850	7,300
ADUs	0	6	4	0	0	10
Additions	0	6	4	0	0	10
Multifamily Low-Rise	0	100	400	800	900	2,200
Manufactured Housing	25	75	50	0	0	150
TOTAL	50	1011	2058	2800	3750	9,669

Figure 12. New Construction Installation Targets by Dwelling Unit

Sectors	2022	2023	2024	2025	2026	Total
Single Family/ Duplex	\$92,690	\$2,563,777	\$4,332,174	\$4,815,217	\$6,861,684	\$18,665,543
ADUs	\$0	\$8,701	\$5,415	\$0	\$0	\$14,117
Additions	\$0	\$8,701	\$5,415	\$0	\$0	\$14,117
Multifamily Low- Rise	\$0	\$187,232	\$628,930	\$1,017,859	\$1,145,092	\$2,979,114
Manufactured Housing	\$35,938	\$107,813	\$71,875	\$0	\$0	\$215,625
TOTAL	\$128,628	\$2,876,225	\$5,043,809	\$5,833,077	\$8,006,776	\$21,888,514

Figure 13. New Construction Incentive Targets

California Energy-Smart Homes All-Electric Residential Program

Technology	2022	2023	2024	2025	Total
Heat Pump Dryer (units)	1	1	1	1	4
Ductless Heat Pump (tons)	413	2063	1650	1100	5,225
Ducted Heat Pump (tons)	69	481	413	344	1,306
Heat Pump Water Heater (units)	175	925	750	525	2,375

Figure 14. Alteration Installation Targets by Technology

Technology	2022	2023	2024	2025	Total
Heat Pump Dryer	\$500	\$500	\$500	\$500	\$2,000
Ductless Heat Pump	\$134,063	\$670,313	\$536,250	\$357,500	\$1,698,125
Ducted Heat Pump	\$6,188	\$43,313	\$37,125	\$30,938	\$117,563
Heat Pump Water Heater	\$78,750	\$416,250	\$337,500	\$236,250	\$1,068,750
TOTAL	\$219,500	\$1,130,375	\$911,375	\$625,188	\$2,886,438

Figure 15. Alteration Incentive Targets

2.6 Diagram of Program

Figure 16 illustrates the linkages between the California Energy-Smart Homes All-Electric Residential New construction program and Workforce Education and Training programs, Emerging Technologies and Codes and Standards, and integrated efforts across demand-side management, including interacting with other programs as outlined in the program's Policy and Procedure Manual.



Figure 16. Program Diagram

2.7 Evaluation, Measurement & Verification (EM&V)

EM&V for the California Energy-Smart All-Electric Residential Program provides ongoing performance feedback during implementation, affirms the program's energy savings and electrification impacts, and informs planning for future program cycles and code enhancements. As the program has a heavy market support component in addition to resource acquisition, EM&V, which CPUC's evaluation team will conduct, will help confirm the program's success in moving the market towards all-electric technologies and all-electric construction norms by conducting industry standard practice assessments (ISP Studies) on a tri-annual basis timed around the code change cycle for all-electric construction. TRC anticipates a need for both impact and process evaluation.

TRC will coordinate with PG&E during the program's launch phase to confirm TRC's intended evaluation planning activities and expected EM&V needs. These include (1) program measure, savings, and cost data, (2) data collection and retention policies, (3) quality control and quality assurance policies, and (4) program influence measurement. TRC will revisit EM&V expectations and needs annually with PG&E to affirm that the program's EM&V strategy can support the need.

TRC designed the program so that all EM&V relevant activities are built into ongoing program operations using program implementation and administration funds. TRC will continuously monitor the quality and integrity of program data, and the efficacy of data collection and retention policies.

The following sections outline key elements of the program's EM&V readiness planning and relevant implementation actives.

2.7.1 Program Data

Measure, cost, and savings data are integral to a successful evaluation. A detailed assessment of the data points TRC will capture is included in the Program Data Plan. Program data will differ across building type and program pathway (i.e., residential new construction versus alterations). TRC will systematically collect and securely retain all program data to help ensure support for process and impact evaluations

2.7.2 Data Collection and Retention Policies

TRC will create systematic, and wherever possible automated, data collection procedures to improve data quality and consistency. Data will come from Title 24 energy models, manufacturer specifications sheets, builder cost surveys, project invoices and certification documents (for alterations and manufactured housing projects, respectively), and HERS Registries. TRC will securely manage program data in our Captures database. Captures data can be searched, filtered, and analyzed to fulfill EM&V data needs. TRC will collect other relevant EM&V information such as field verification reports and builder surveys using SharePoint's secure cloud storage platform. Further, certain data points are collected from the state's approved HERS Registries with original documentation securely stored there in addition to being stored in Captures and SharePoint.

2.7.3 Quality Control and Quality Assurance (QA/QC) Policies

New Construction

For Title 24 regulated new construction projects, including additions and alterations, the program has a five-component QA/QC strategy with multiple touchpoints to assure the accuracy of the program data from incented projects. Figure 17 outlines this process.



Figure 17. New Construction QA/QC Process

- 1. **Application Review:** For new construction projects, TRC will review the building's energy model and application details in relation to building plans and measure specification sheets before construction and program enrollment.
- 2. **Early Policy Review (optional):** Any eligibility and/or policy question is submitted to PG&E for an early policy review whenever there is a question about policy implications or eligibility for a project so that these issues are addressed prior to project enrollment.
- Custom Project Review (CPR): For all projects with custom savings, which includes new construction projects, TRC will submit projects to PG&E for CPR providing a second round of energy model and savings claim verification.
- 4. QC Project List: TRC will maintain a list of projects that will require deeper QC/QC confirmations, either through additional document collection or field verification. This includes projects that used novel or extraordinary energy features, made significant changes to the project details between enrollment and completion, or result in exceptionally high energy savings claims. TRC will collect additional information from the participant and/or conduct field verification accordingly.

- 5. **Installation Confirmation:** For new construction projects, TRC leverages each project's HERS rater to support field verification of program requirements and measures. Some measures and requirements directly parallel the HERS rater's official role as a specialized inspector that acts on behalf of the building department with jurisdiction. TRC views the officially submitted HERS documentation on the state's HERS Registries, CalCERTS, and CHEERS. The HERS rater affirms accuracy of other measures via signing a statement on a program-created form hosted on the HERS Registry.
- 6. **Field Verification:** After completion and incentive delivery, TRC conducts field verification on 15% of all new construction homes to confirm the project installed the energy measure mix used to meet program requirements. For any discrepancies, TRC will adjust the savings claim, consider program implementation activities to prevent similar future errors, and consider disciplinary action for program participants if warranted.

Alterations and Manufactured Homes

Alteration and manufactured homes are not subject to the same CPR process as new construction projects. QA/QC for manufactured homes and alterations will leverage some, but not all aspects of the new construction process. TRC will review applications and require documentation affirming eligibility and the installation of approved measures. For alteration projects, TRC will conduct field verifications following a sampling protocol.

2.8 Normalized Metered Energy Consumption (NMEC)

Not applicable for this program.