

Closure of the Third-Party Implemented Willdan Industrial Energy Efficiency Program and Willdan Multifamily Energy Efficiency Program

March 18, 2024

Agenda

1. Background on Third-Party Solicitations
2. Program Closure of the Willdan Industrial Energy Efficiency Program and the Willdan Multifamily Energy Efficiency Program
3. Steps SCE is Taking to Continue to Service Our Multifamily and Industrial Customers
4. Questions, Answers and Resources

Antitrust Statement

Pursuant to the California Public Utilities Commission (CPUC) Decisions D.16-08-019 and D.18-05-041, SCE is hosting a meeting for the purpose of complying with the Energy Division's process checklist for closing a program in compliance with D.21-05-031 and is intended to take place in full compliance with all applicable provisions of the CPUC orders, rules and regulations and all applicable provisions of state and federal antitrust laws. These discussions will be conducted in full conformance with the Antitrust Guidelines. Among other things, the antitrust laws forbid any agreement between or among competitors regarding prices, availability of service, terms of sale, division or markets, allocation of customers or any other activity that unreasonably restrains competition, including components of pricing such as vendor or contractor costs. It is the responsibility of every participant at this meeting to carry out this commitment.

Background Third-Party Solicitations

Energy for What's Ahead®



Background

- Decision 18-01-004 mandated IOUs transition at least 60% of portfolios to Third-Party Implementers who can design and implement new innovative programs.
- SCE conducted solicitations in 2019 to procure new Third-Party implementers.
- Multiple bids were received and reviewed. SCE executed multiple Third-Party contracts via the solicitations, monitored by Independent Evaluators and the PRG. Contracts were subsequently approved by the CPUC.
- Two contracts for the Third-Party led Industrial and Multifamily Programs were executed with Willdan Energy Solutions in September 2020.

Program Closures: Willdan Industrial Energy Efficiency Program and Willdan Multifamily Energy Efficiency Program

Energy for What's Ahead®



Program Closure Information: Willdan Industrial Energy Efficiency Program

- The Program launched in Q3 2021 and began submitting projects December 2021.
- The Program began delivering savings to SCE in May 2022.
- The parties agreed to mutually terminate the Contract, effective February 2024.
- Service List and Stakeholders were notified March 5, 2024.
- SCE plans to file an Advice Letter in April 2024 to close the program.

Program Closure Information: Willdan Multifamily Energy Efficiency Program

- The Program launched in Q3 2021 and began submitting projects December 2021.
- The Program began delivering savings to SCE in January 2022.
- The parties agreed to mutually terminate the Contract, effective February 2024.
- Service List and Stakeholders were notified March 5, 2024.
- SCE plans to file an Advice Letter in April 2024 to close the program.

Steps for Closing This Program

1. Communicate with Program Implementer
2. Execute Termination Agreements
3. Notify Service List
- 4. Host Webinar**
5. Receive CPUC Approval for Closure
6. Update Program Status to "Closed" on CEDARS

Steps SCE is Taking to Continue Serving Our Industrial and Multifamily Customers

Energy for What's Ahead®



SCE Continues to Serve Industrial and Multifamily Customers

- SCE has active solicitations in process to serve the Industrial and Multifamily sectors

Questions, Answers and Resources

Energy for What's Ahead®



Questions

QUESTIONS ABOUT THE WEBINAR
OR
PRESENTATION

Service List Participants

Call Toll-Free: 1-800-600-4723

Program Manager: Thomas Pasker

Email: Thomas.Pasker@sce.com

Monday-Friday, 5am-5pm PT
(8am to 8pm ET)

IMPORTANT RESOURCES
WEBINAR LINKS

SCE Related Websites

SCE Advice Letters:

<https://www.sce.com/regulatory/advice-letters>

EE Solicitations Home Page:

<https://www.sce.com/partners/Energy-Efficiency-Solicitations>

Appendix

- AL – Advice Letter
- CET – Contract Evaluation Team
- EE – Energy Efficiency
- IE – Independent Evaluator
- IP – Implementation Program
- NSC – Negotiations Solicitations Contract
- PRG – Procurement Review Group
- RFA – Request For Abstracts
- RFP – Request For Proposals

SCEs Supplemental Responses
Following the March 18th Public
Webinar - Provided April 3rd

Energy for What's Ahead[®]



Public Webinar for the Closure of Industrial and Multifamily Energy Efficiency Program – Third Party Implementer Willdan

Question Number	Webinar Question	SCEs Answer
1	I understand solicitations are in progress to replace program offerings for industrial and multifamily, but those offerings may not be available until Q4 2024 at the soonest for customer delivery. What is being provided in the interim?	<p>The Multifamily sector is being served by SCE’s Residential Direct Install program that provides energy efficiency offerings at no cost to multifamily customers. Program offerings include smart thermostats, brushless fan motors, fan controllers and duct seals among other offerings. There is also the Statewide PG&E new construction program that may offer incentive opportunities to Multifamily customers.</p> <p>For Industrial, SCE has recently signed contracts for SEM programs that are pending CPUC approval.</p>
2	What were the program goals and what was achieved?	<p>Please see below for energy savings targets and achievements in net kWh. Data is from CEDARS public website (https://cedars.sound-data.com/) and respective program Implementation Plans.</p> <p>Multifamily Implementation Plan Industrial Implementation Plan</p> <p>Multifamily: 2021</p> <ul style="list-style-type: none"> • Goal (net kWh): 988,129 • Achieved (net kWh): 55,553 <p>2022</p> <ul style="list-style-type: none"> • Goal (net kWh): 21,233,609 • Achieved (net kWh): 9,187 <p>(2022 was the last year energy savings were achieved)</p> <p>Industrial: 2022:</p> <ul style="list-style-type: none"> • Goal (net kWh): 36,201,719 • Achieved (net kWh): 335,698 <p>2023¹</p> <ul style="list-style-type: none"> • Goal (net kWh): 93,646,764 • Achieved (net kWh): 1,444,429 <p>Note: Achieved values include market effects.</p>

¹ For Industrial 2023, achieved energy savings are pending final reconciliation and may be subject to change.

Public Webinar for the Closure of Industrial and Multifamily Energy Efficiency Program – Third Party Implementer Willdan

3	What were the Lessons Learned from these two program closures?	<p>A lesson learned from the closure of these two programs has resulted in SCE transitioning to targeted solicitations to reduce supplier concentration at the sector level. While certain solicitations may request a program at the sector level, SCE signals that segment level proposals may be provided and that SCE intends to award for multiple programs.</p> <p>SCE has been incorporating this lesson learned into recent solicitation documentation, including considering more targeted requirements and opportunities. Before launching solicitations, SCE engages with Energy Division, Independent Evaluators and the PRG to develop and draft solicitation materials that appropriately consider the solicitation’s unique objectives.</p>
4	If questions were not able to be asked during this webinar, is there a deadline for questions to be sent via email and for responses to be provided?	<p>SCE will be accepting post webinar questions up until April 10, 2024 and intends to provide answers via email within 2 business days after receipt of such questions. Note: some questions may take additional time to respond.</p>
5	I am also interested in the response to the question posed earlier about why the programs are closing.	See response to Question 6.
6	Do you know why the programs closed?	<p>Please see below for additional information on factors that may have impacted program closure.</p> <p>Multifamily: Willdan, the multifamily program implementer, stated that it experienced challenges related to limited availability of deemed, cost-effective measure offerings, difficulty recruiting customers, increased competition, and pandemic-related impacts, among others. As a result of these challenges, Willdan and SCE reached the difficult decision to close the program.</p> <p>Industrial: Energy Efficiency in the Industrial sector is challenging to deliver due to the increased costs of reaching, recruiting, and serving Industrial customers and developing custom projects. Willdan determined that the financial viability of their Industrial Energy Efficiency Program was unsustainable. Maintaining the program at certain levels would not be cost-effective. Therefore,</p>

Public Webinar for the Closure of Industrial and Multifamily Energy Efficiency Program – Third Party Implementer Willdan

		Willdan and SCE reached the difficult decision to close the program.
7	Is there someone from SCE or management available to answer this basic question?	Yes, we do have the appropriate representatives on this call to answer this question.
8	Is multifamily being served right now? If so, how?	See response to Question 1. .
9	Will the Q&A for this webinar be available to the public? If so, how?	Yes, the Q&A will be part of this Webinar PowerPoint presentation and be posted to CAEECC website for the public.
10	In the future, please include publicly available program data from CEDARS or other public sources	Yes, will include in future webinars.
11	Will the attendees become notified when the responses are posted?	Yes, once the Q&A are available on CAEECC we will notify the service list that the answers to these questions have posted to CAEECC.
12	Can you send a formal response to all attendees of this meeting regarding program closure? I think that's what we'd all like to know.	See response to question 6.