MCE & BayREN Joint Cooperation Memorandum for Program Years 2024 & 2025

Overview

In Decision (D) 18-05-041, the California Public Utilities Commission ("CPUC" or the "Commission") directed the filing of Joint Cooperation Memorandums ("JCMs") between utility and non-utility Program Administrators (PAs) with overlapping service areas together prior to Program Administrators' ("PA") Annual Budget Advice Letter ("ABAL") filings.[1] D.19-02-021 modified the JCM requirement directing Regional Energy Networks to attached to PAs Annual Report. This is the third JCM between Marin Clean Energy ("MCE") and the Bay Area Regional Energy Network ("BayREN").

MCE serves customers in four[2] of BayREN's nine county territory.[3] Both MCE and BayREN offer energy efficiency ("EE") programs under the Commission's current rolling portfolio cycle. MCE's portfolio has evolved from a specialized focus to a more balanced portfolio that offers EE programs for all customer segments, including Residential, Industrial, Agricultural, and Commercial. BayREN programs address the three areas indicated by D.12-11-015: filling gaps in the market; developing programs for hard-to-reach markets; and piloting new approaches to programs that may have the ability to scale and offer innovative avenues to energy savings. MCE and BayREN work closely together to minimize customer confusion, layer on to each other's programs when appropriate thereby offering our shared customers a more holistic and beneficial program offering.

The BayREN and MCE program teams meet on a regular basis to discuss program coordination and will continue to do so in 2024 and 2025. The respective program teams and the BayREN member agencies in MCE's service area, will begin to meet quarterly to ensure information sharing and program coordination.

The 2024 and 2025 JCM includes the following information for each relevant program area:

1. BayREN Program Summary: A description of each program BayREN is planning on administering in 2024 and 2025.[4]
2. MCE Program Summary: A description of MCE programs that are comparable or equivalent to BayREN programs.[5]
3. Coordination Protocol Between Programs: A summary of how the BayREN program is distinct from the MCE program(s) and the coordination protocols between BayREN and MCE for comparable or equivalent programs.[6]

---

[1] *See* D.18-05-041 at pp. 122-123.

[2] MCE serves 37 cities Marin, Napa, Solano and Contra Costa counties.

[3] BayREN serves the counties of Alameda, Contra Costa, Marin, Napa, San Francisco, San Mateo, Santa Clara, Sonoma, and Solano.

[4] As there are no comparable MCE offerings, a description of BayREN's Codes and Standards, Integrated Energy Services, Targeted Decarbonization Services, Green Labeling, and Water Upgrades Save program is not included. A complete list of BayREN programs can be found in Appendix B.

[5] A complete list of MCE programs can be found in Appendix C.

[6] Sections on program coordination with Statewide programs are out of scope to MCE and BayREN's coordination and omitted.

4. Compliance: Identifies how the BayREN program satisfies the criteria for REN activities in D.12-11-015 and D.19-12-021.
5. Appendices:
    a. Appendix A: Summary of REN compliance with D.12-11-015 and D.19-12-021 for all planned programs;
    b. Appendix B: List of all programs BayREN currently anticipates offering in 2024 and 2025, including budget information and measure eligibility. [7]
    c. Appendix C: List all programs MCE currently anticipates offering in 2024 and 2025, including budget information and measure eligibility.[8]

Residential Sector Coordination

Residential – Single Family

BayREN Program Summary (BayREN08)

BayREN's Home+ program, while available to all single-family residents, is targeted at underserved and hard-to-reach households, defined as those with a moderate income[9] and/or where a language other than English is spoken and/or are located in a pollution burdened area.[10] Moderate income was previously defined as households as with an annual income of $48,000-$125,000 per household, regardless of household size and county. To more accurately account for these factors and avoid duplication with income qualified programs, we have redefined moderate income as households who do not qualify for income qualified weatherization programs up to the moderate-income level per household by county designated by the California Department of Housing and Community Development[11]. A second aspect of underserved communities are households that primarily speak a language other than English. Lastly, BayREN includes households located in a pollution burdened area. Historically, these communities have been underserved by energy efficiency programs.

Moderate income households in the Bay Area are above the Energy Savings Assistance (ESA) programs and often do not receive information about potential energy savings measures in their primary language. Because of this, this population is consistently underrepresented in ratepayer energy efficiency programs in BayREN territory and across the state. The BayREN Single-Family Moderate-Income Market Characterization Study, completed in September 2018, identified key barriers to participation for the target market including financial barriers, low energy costs and expected savings, and renter status if applicable. The Home+ program offers solutions to customers to overcome these barriers.

---

[7] Budget forecasts for 2022 are preliminary and highly variable and will be finalized in the 2022 Annual Budget Advice Letter.
[8] Budget forecasts for 2022 are preliminary and highly variable and will be finalized in the 2022 Annual Budget Advice Letter.
[9] Defined as dwellings with less than five units and annual household income between $48,000 to $125,000. As provided in BayREN's Business Plan, this market segment is chronically underserved with energy efficiency programs.
[10] **Moderate income:** exceeds ESA-eligibility and less than 120% of county Area Median Income, per CA HCD. This market segment is chronically underserved with energy efficiency programs; **Limited English proficiency:** individuals who do not speak English as their primary language and who have a limited ability to read, speak, write, or understand the English language; **Pollution burdened households:** households in census tracts that score higher than 75th percentile statewide on pollution burden, as defined by CalEnviroScreen 4.0.
[11] California Department of Community Services and Development, Low Income Home Energy Assistance Program Income Eligibility, https://www.csd.ca.gov/Pages/LIHEAP-Income-Eligibility.aspx

The key objective of the Home+ program is to meet the underserved customers where they are and to offer incremental and affordable energy efficiency measures that are complementary to measures available through current mainstream program offerings.

An important program element continues to be utilizing the Home Energy Advisor service. This service is essentially a call center that customers can access to speak with an Energy Advisor. The Advisors assist both homeowners and renters and maintain a long-term relationship with the customers after they have assisted with the initial contact to see the customer through a full energy-efficiency journey. Energy Advisors also refer customers to complementary programs offered by utilities, Community Choice Aggregator ("CCA") programs, Energy Watch, and other implementers; the Advisors also help customers understand their financing options. Additionally, the Energy Advisors assist Home+ Participating Contractors with understanding program requirements and when needed, help mediate issues that may arise with the customer and contractor.

To address financial concerns and other obstacles facing moderate income households, BayREN is redesigning its single family program, including rebates for certain measures for this population. The exact amounts, specific details, and income qualification verification methods have yet to be determined but will be coordinated with the low-income qualified weatherization programs to facilitate referrals between programs. The anticipated launch date is the fall/winter of 2024.

Until then, the program will continue its current offerings. The current Home+ program offers a menu of eligible measures including four fuel substitution measures: heat pump water heaters, heat pump heating and cooling, heat pump clothes dryers and induction cooktop/range. Customers can choose a single measure to upgrade, but they are encouraged to undertake multiple measures. The Home+ program uses an engaged Home Energy Advisor to walk customers step-by-step through the process and to direct them to a Participating Contractors to deliver energy savings to households.

The BayREN Regional Heat Pump Water Heater (midstream) Program, funded by a grant from the Bay Area Air Quality Management District in June 2021, will continue to operate under the BayREN Single Family program through 2024. The engagement with manufacturers and distributors and the administration of the rebates provided by CCAs will continue in 2024 and potentially expanded with more CCAs joining in the effort.

Like all BayREN programs, outreach in 2024 will continue to be done primarily by local governments. This also allows for the seamless layering of other climate programs and activities including those offered by individual cities, counties and CCA programs. BayREN will continue to leverage local government electrification rebates and integrate those programs into one cohesive message based on the audience as they launch. BayREN will also continue to develop relationships with organizations and media who serve non-English speaking communities through in language webinars, printed collateral and information dissemination through trusted messengers as a means to reach this sector.

BayREN's contractor training, through Home+, is designed and in coordination with the Workforce Education and Training (WE&T) activities offered through the PG&E WE&T program, to ensure that efforts are not duplicated. BayREN also offers its contractors program related trainings and one-on-one trainings on an as needed basis. Following COVID-19 restrictions in 2020, BayREN developed an online portal of trainings to keep Participating Contractors engaged and to increase their technical knowledge. This platform will likely continue to be available to contractors in 2024.

Cross Sector Coordination

Workforce Education & Training (WE&T)

BayREN Program Summary (BayREN09)

The BayREN Workforce Education and Training (WE&T) program, Climate Careers, as implemented by Rising Sun Center for Opportunity, seeks to address workforce needs and fill gaps in the labor market with a youth workforce development program that focuses on youth, ages 15-24, from low-income households and with an emphasis on opportunity youth. The Climate Careers program offers opportunities to youth for personal autonomy, positive relationships with peers and adults, and a sense of meaning and purpose, all of which build personal resilience and prepares the new generation of workers. The program accomplishes this through three stages:

1. Earn and Learn:
    a. Provides on-the-job skills training, installation training, teamwork, customer service, time management and more. All in service of the Green House Call program.
    b. Provides upskilling and professional skill advancement through career panels, design challenges, environmental justice trainings, and professional development workshops covering topics such as resume writing, mock interviews, cover letters, networking, and financial management.
    c. The Green House Call program simultaneously serves as a direct install energy efficiency program, as well as an outreach and customer acquisition mechanism for the BayREN Home+ program.
2. Post Programmatic Pathways:
    a. Upon completion of the Earn and Learn/ Green House Call portion of the program the Climate Careers program continues with paid externship placements.
    b. Externship placements are with climate-related employers, not just EE contractors.
    c. Placements enable participants to gain real life, first-hand career experiences in positions such as: contractors, researchers, educators, event coordinators, outreach associates, troubleshooters and marketers.
    d. The intent is to enable youth to explore the wide variety of career options in climate-related fields, while building their resumes and preparing them for future workforce successes.
3. Future Placement:
    a. Upon completion of the Post Programmatic Pathways portion of the program the Climate Careers program will culminate, ideally, with full time employment opportunities with partner agencies.

b. The intent is to transition youth into full time opportunities with the same partners that provided them with the externship. If opportunities are not immediately available, Climate Careers aims to provide support and resources to youth participants post program that will enable them to transition into a green career.
c. The program will also increase the number of individuals with the needed workforce skills and fundamentals required for long and successful careers in sectors experiencing a labor shortage.

Climate Careers utilizes a program called Green House Calls to provide paid job experience for its youth participants. Climate Careers hires youth to perform residential energy and water audits. Green House Calls are offered to targeted households; primarily seniors and households where English is not the primary language. Green House Calls involve a program participant performing an assessment of a client's home and installing energy and water savings measures. Green House Calls directs customers to the broader Home+ program offerings, including the Home Energy Advisor service.

Table 1: Comparable BayREN and MCE Workforce Development & Training Programs

	BayREN	MCE Programs under BayREN Territory
Program Name	Workforce Education and Training	Workforce Education and Training
Eligible Measures/Offerings	Youth jobs via Green House Calls (energy and water use assessment and installations of measures such as LED lamps, water aerator, low flow showerheads, Tier II power strips, Smart plugs) and multi-tiered education curriculum (professional development, eco-literacy and financial literacy) with post-program support for job pathways and opportunities	Building Electrification Workshops, Field Meetings with Contractors, Support for Job Seekers, Contractor-job seeker matchmaking.
2024-25 Budget	$5,175,000	$1,911,244
Target Customer	Low to moderate-income households (owners and/or renter), seniors, non-native English-speaking households	EE and electrification contractors, job seekers, general public
Target Implementer	Low-income youth ages 15-24	EE/electrification trainers

MCE Program Summary (MCE08)

MCE's Home Energy Savings ("HES") is a direct install program that provides energy efficiency and building electrification ready home assessments, and home upgrades to eligible single-family (up to 4 attached units) homeowners and renters in MCE's service area. This program targets customers in Disadvantaged Communities ("DACs")[12] whose household income falls between 200-400% of the Federal Poverty Limit (FPL), a market sector that has been traditionally underserved. The target group's income exceeds the limit to receive services through programs like PG&E's Energy Savings Assistance ("ESA") Program and MCE's Low-Income Families and Tenants (LIFT) Program, yet are still income constrained (moderate income) and unable to participate in shared cost market rate programs. MCE will refer

[12] Pursuant to Cal. Pub. Util. Comm'n, Environmental and Social Justice Action Plan version 2.0, (April 7, 2022), available at: https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/news-and-outreach/documents/news-office/key-issues/esj/esj-action-plan-v2jw.pdf.

customers who fall outside of the 0-400% FPL income threshold to available market rate programs. The goal is to fill the service gap and introduce this market sector to the concepts of EE while providing energy upgrades and emerging technologies that reduce household energy consumption.

The HES Program will be leveraged to serve GRID Alternatives' Resilient Homes for Healthy Communities program clients. MCE has partnered with GRID to implement a comprehensive home upgrade program as part of a larger initiative lead by the City of Richmond and funded through its recent Transformative Climate Communities Grant award. The goal is to provide a comprehensive package of efficiency and renewable energy measures in order to increase the homes' comfort and efficiency, decrease the customers' financial energy burden and reduce overall GHG emissions within the project area. Participating single-family customers who can benefit from energy efficiency home upgrade services will be referred into HES. HES provided efficiency measures will be braided with additional grant funded measures by MCE and GRID will be providing no-cost solar installations.

HES may also be leveraged to serve Contra Costa County's Asthma Mitigation Project clients. MCE has partnered with Contra Costa Health Services to expand HES income eligibility to include customers that are participating in the asthma initiative, to provide those customers with an expanded scope of services to mitigate the effects of asthma-causing environments.

MCE Program Summary (MCE16)

According to MCE's 2017 Energy Efficiency Business Plan, the Workforce, Education and Training ("WE&T") programs offered will "...help achieve deeper market penetration with expertise in multiple demand–side management technologies and ensure each project has high program quality standards. MCE will support the success of its energy efficiency programs with complementary workforce development and training."[13] This program is the first of several opportunities that MCE will offer to meet these goals.

The Program is designed to leverage industry and stakeholder expertise and experience to provide:

1. Long-term, relevant education and training opportunities for the existing energy efficiency contractor workforce, and
2. On-ramping opportunities for job seekers into sustainable and long-term career paths

MCE will achieve these goals through the following methods:

1. Industry roundtables and ongoing outreach to energy efficiency industry professionals, workforce development groups, Community-Based Organizations, and local governments
2. Education and in-the-field technical training opportunities for contractors, energy efficiency (EE) professionals, and trainees.
3. Individualized job seeker support towards a career in the energy efficiency industry, including interview and resume coaching, connections to local industry experts, and paid training opportunities with local contractors.

[13] Marin Clean Energy Efficiency Business Plan, January, 2017, p. 111

MCE has contracted with the Association for Energy Affordability (AEA) and Strategic Energy Innovations (SEI) to implement this program through Program Year 2024.

Building electrification and EE contractors, job seekers and the partner CBOs can participate in MCE's GWP program. MCE regularly coordinates on workforce program offerings with PG&E. MCE will continue to coordinate on education and training offerings common to PG&E, BayREN and MCE program contractors and end users. MCE's GWP program's education and training offerings include in-the-field technical training opportunities for contractors, online and in-person educational workshops, covering electrification and other home performance topics

Table 2: Comparable BayREN and MCE Single-Family Programs

	BayREN		MCE Programs under BayREN Territory	
Program Name	BayREN Home+	Workforce Education and Training	SF Direct Install, or HES	Green Workforce Pathways
Eligible Measures/Offerings	Duct Sealing, Attic and Wall Insulation, HVAC Equipment Upgrades, Smart Thermostats, Gas Storage Water Heaters and Heat Pump Water Heaters, Heat pump Clothes Dryers, Induction Cooktop/Ranges, and Single measure upgrades.	In person Green House Calls and virtual EE kits: LED Lamps, Water Faucet Aerators, Low Flow Showerheads, Tier II Power Strip, smart plug, night light, toilet dye tabs, electrical outlet foam gaskets	Deeply Buried Ducts, Duct Sealing, Smart Thermostat, Attic Insulation & Air Seal, Fuel Sub Heat Pump Water Heater, Fuel Sub Heat Pump HVAC, Fuel Sub Heat Pump Mini Split, Induction Range, Fuel Sub Heat Pump Dryer, , Pipe Wrap, Efficient Clothes Washer	Field Meetings with Contractors, Career Readiness training and Support for Job Seekers, Contractor-Job Seeker matchmaking.
Incentive	Bonus incentives offered to downsizing equipment, combining shell and HVAC measures, building air sealing and Combustion Appliance Safety ("CAS") testing N/A	N/A	No-cost direct install	N/A
Savings Claim Type	Savings will be deemed per measure based in CPUC approved work papers		Savings will be deemed per measure based in CPUC approved work papers	N/A
2024 & 2025 Combined Budget	$13,000,000	$5,175,000	$6,100,984	$1,911,244
Target Customer	Moderate-income households (owners	Low to moderate-income households (owners and/or renters)[14], non-native English-speaking households, seniors, renters	Targeted to customers in disadvantaged communities (DACs), household income between	Residential service contractors (HVAC and plumbing), job seekers, general public

	and/or renters)[14], non-native English-speaking households, pollution-burdened households		200-400% of the FPG	
Target Implementer	Specialty contractors	Low-income youth ages 15-24	Direct Install Contractor	EE/electrification trainers
Resource/Non-Resource	Resource	Non-resource	Resource	Non-resource

Program Differences and Coordination Protocols

Although the BayREN Home+ program and the MCE HES program share some of the same measures, the method of delivery and program design are unique.

In 2024, until the redesigned program is launched, the Home+ program requires a homeowner to find a participating contractor to complete upgrades where rebates will cover some but not all the costs. Because of this, the household income of participants is usually above the 400% of FPG requirement of the MCE HES program. Conversely, the MCE HES program pays all the costs of the project, targeting lower moderate-income households, who often cannot afford to participate in the Home+ program.

MCE and BayREN will coordinate on outreach to minimize potential customer confusion and optimize the customer benefits. Customers that do not qualify for MCE programs will be directed to BayREN Home Energy Advisors for further assistance. For the customers where a MCE program would better suit their needs, they will be referred to MCE. Integrated outreach materials will be developed to reach customers who qualify for MCE's HES program as well as BayREN Green House Calls; Home+ rebates. Appropriate referrals will be made to each other's programs when appropriate as outlined below.

[14] Now defined as households who do not qualify for income qualified weatherization programs up to the moderate-income level per household by county designated by the California Department of Housing and Community Development, https://www.hcd.ca.gov/grants-funding/income-limits/state-and-federal-income-limits/docs/income-limits-2021.pdf

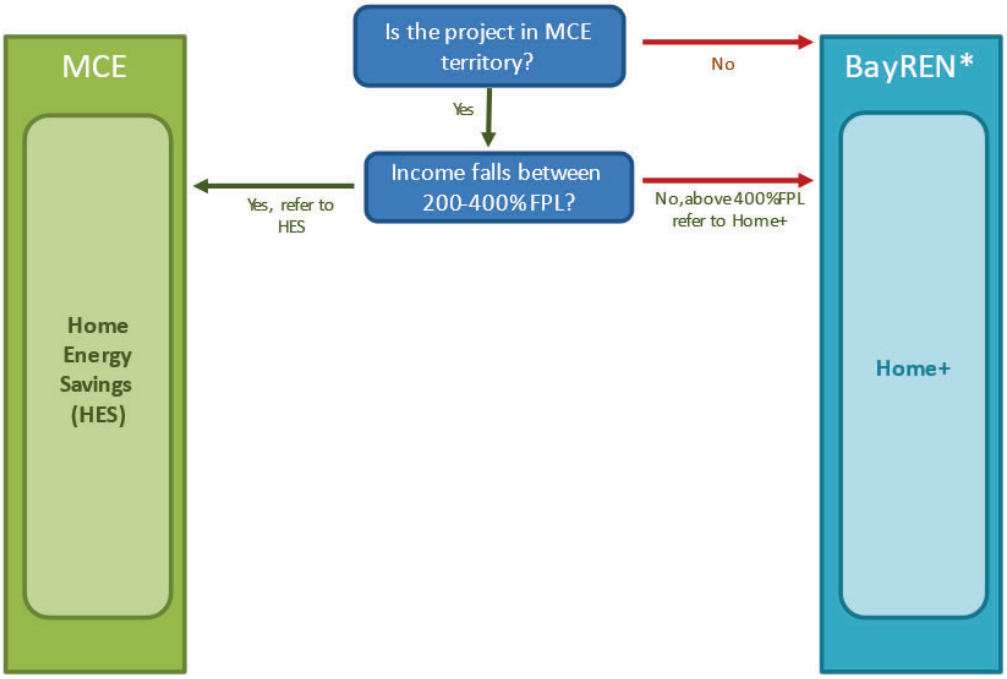


Figure 1a: 2024 MCE and BayREN Single Family Program Referral Tree

MCE and BayREN also coordinate on programs and activities that are outside of the EE portfolio.

After the redesigned program is launched in late 2024 and in 2025, MCE and BayREN will coordinate on an updated referral tree. Figure 1b depicts a draft decision-making process, to be finalized after BayREN's new Home+ program is fully developed.

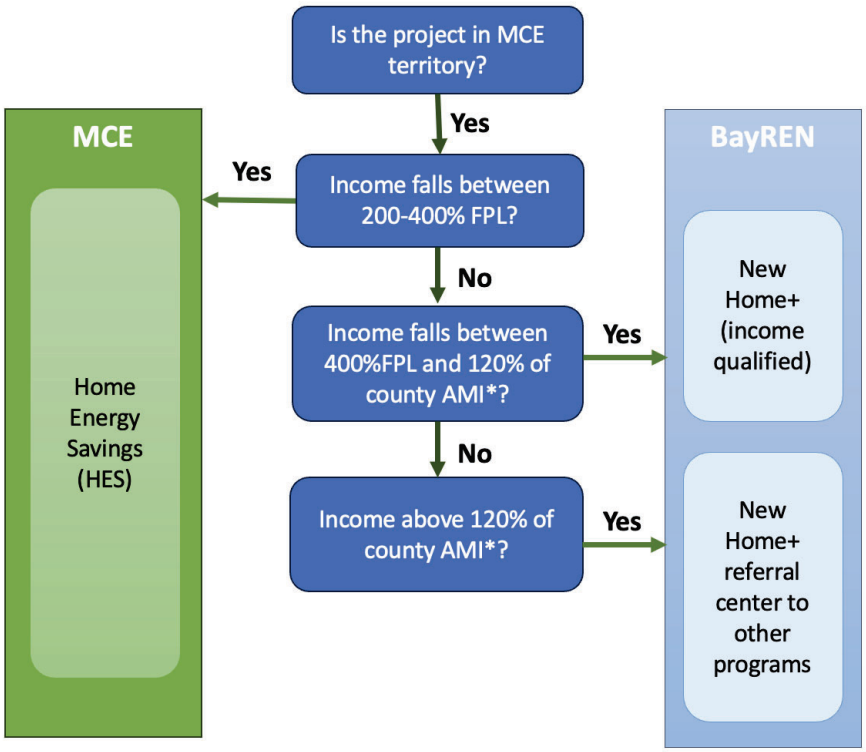


Figure 2b: 2025 MCE and BayREN Single Family Program Referral Tree Draft

*Upper limits of income qualifications to be finalized.

Currently, the BayREN Home + program coordinates with PG&E on contractor training on building electrification and promotes MCE trainings when available. BayREN will continue to refer relevant contractors and end users to MCE trainings when appropriate.

For general program coordination, BayREN and MCE's single family residential teams will continue to hold regular check-in calls. Ad-hoc meetings will also be scheduled to accommodate the potential need to resolve any urgent issues that may arise. Standing agenda items include program updates, uptake, challenges, contractor issues, data transfer, and marketing campaign plans. Through their respective implementers, program participation data will be shared on a regular basis to ensure that double-dipping does not occur.

Compliance

The following table describes in further detail how BayREN's Home+ program satisfies the REN criteria in D.12-11-015.

Table 3: BayREN Home+ Program's Compliance with D.12-11-015

REN Criteria	BayREN Compliance
1. Activities IOU or CCA cannot or does not intend to undertake	34% of Bay Area single family owners/renters comprise the defined moderate-income market. They do not qualify for ESA or other programs available to income qualified low earning households. Although both programs target the moderate-income market, MCE's program is direct install and specifically targets low-moderate income customers. BayREN and MCE will work together to determine if any changes to the offer that is being developed in the BayREN region will be/should be expanded to serve other customers.

2. Pilot activities where there is no IOU or CCA program offering and where there is potential for scalability	Not applicable
3.Activities in hard-to-reach markets, whether or not there is an IOU or CCA program that may overlap	The definition in D. 23-06-055 likely qualifies certain single family residential properties in the San Francisco Bay Area to be considered hard-to-reach (HTR).

Residential – Multifamily

BayREN Program Summary (BayREN02)

The Bay Area Multifamily Building Enhancement ("BAMBE") program offers multifamily property owners incentives of $500-$6,000+/unit to undertake multiple EE and electrification measures that achieve at least 10% energy savings. Increased incentives are provided for properties located in census tracts determined to be health, heat, and rent burdened. Priority is given to smaller, independently owned properties in low-income areas. The program supplies no-cost technical assistance ("TA") to guide the property owner through the process from initial interest to project completion and quality assurance of the installed measures.

BayREN also provides a Loan Referral Service ("LRS") that directs properties to appropriate sources of financing. The LRS refers properties to private sector financing products and PG&E's OBF program.

MCE Program Summary (MCE01)

The Multifamily Energy Savings Program ("MFES") provides residential energy efficiency and electrification improvements to affordable multifamily properties in the MCE service area. The intent of the program is to support vulnerable communities, particularly those who have been traditionally underserved. MFES will continue to be implemented by the Association for Energy Affordability ("AEA") and seeks to fund energy efficiency and electrification measures for deed-restricted properties. It will also continue co-leveraging as many funding opportunities to provide comprehensive, beneficial whole building upgrades. With this model, MFES will support beneficial property-wide upgrades for all tenants who live in deed-restricted affordable housing.

MFES services will include no cost property assessments, project scope development, and program assistance throughout the project lifetime. The program will also offer no-cost energy efficiency and rebates for electrification measures.

The desired outcome of the program is to address market barriers by providing:

- Customized technical assistance to overcome challenges associated with the diversity of building types, ownership types, and billing configurations, and to provide assistance with analyzing potential upgrade measures
- Guidance through the initial assessment of multiple measure upgrade opportunities throughout the property

- A range of participation options to best meet the current energy needs and abilities of properties
- Bridge the funding gap between multifamily units that qualify for ESA or other income-eligible incentives and the rest of the property to promote a comprehensive and equitable whole-building upgrade

Table 4: Similar BayREN and MCE Multifamily Programs

	BayREN	MCE
Program Name	Bay Area Multifamily Building Enhancement (BAMBE)	Multifamily Energy Savings
Eligible Measures	Whole Building	Whole Building
2024 & 2025 Combined Budget	$16,939,176	$1,536,354
Target Audience	Bay Area multifamily property owners and managers, populations and ownership types in which it has been harder to obtain savings, and owners pursuing gas-to-electric upgrades.	Deed-restricted MF property owners in MCE's service area.
Resource/Non Resource	Resource	Resource

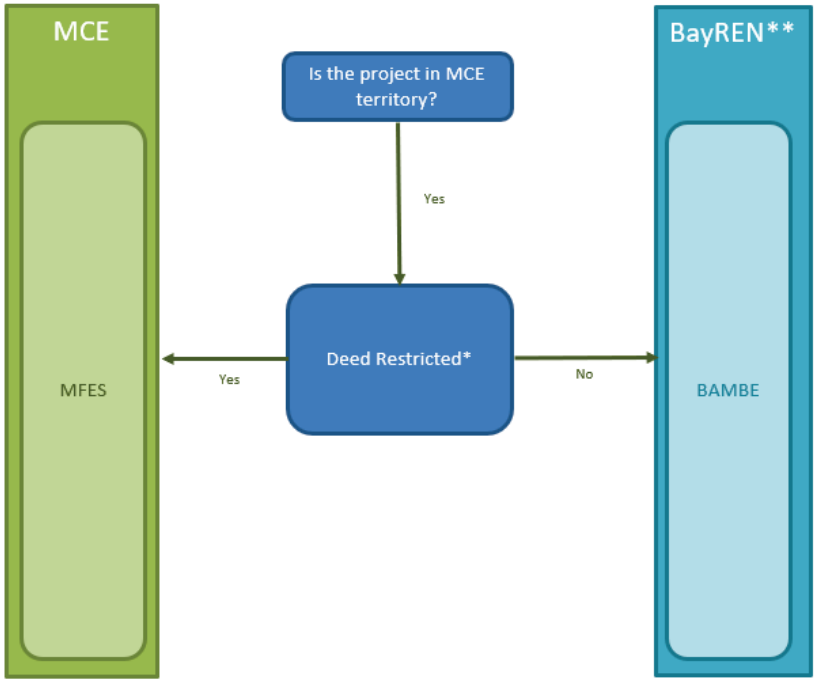
Program Differences and Coordination Protocols

BayREN and MCE both offer multifamily programs in the Bay Area; however, they serve and target different property owner types. BayREN's program will prioritize populations for which it has been difficult to obtain savings – this includes small properties containing less than 100 units, naturally occurring properties in low income and disadvantaged communities, and nontraditional ownership structures such as Homeowner Associations ("HOAs") and co-ops. MCE's MFES program offers no-cost upgrades to deed-restricted affordable properties. If MCE's program runs out of budget or cannot serve a deed-restricted affordable housing property in their territory, they will refer that property to BayREN.

MCE has rolled out a multifamily residential strategic energy management ("SEM") program that focuses primarily on behavioral, retro-commissioning, and operational measures. There is no measure overlap between SEM and BAMBE but BayREN is interested in the SEM program's service to the MF sector so MCE will share program progress and lessons learned at coordination meetings, as appropriate.

BayREN and MCE multifamily programs will coordinate to minimize potential customer confusion and optimize customer benefits. The program implementers will determine if a project is a better fit for MCE, BayREN, or a combination of the two when possible, utilizing the rationale outlined in Figure 2 below. The programs will coordinate to minimize customer confusion, and outreach strategies and plans and strategies developed will be shared and discussed prior to implementation.

2024 Multifamily Energy Program Referral Tree – MCE/BayREN



*For projects that are a mix of market rate and deed-restricted, implementer will perform an analysis to see if the customer can achieve the highest $/unit by co-leveraging both programs.

Figure 3: Multifamily EE and Low-Income Program Referral Tree - MCE/ BayREN/ PG&E

As outlined in the referral tree above, BAMBE will refer deed restricted properties that are eligible for LIFT to MCE, and MCE will refer projects not eligible for LIFT to BAMBE.

Compliance

The following table describes in further detail how BayREN's Multifamily program satisfies the REN criteria outlined in D.12-11-015.

Table 5: BayREN Multifamily Program's Compliance with D.12-11-015

REN Criteria	BayREN Compliance
1. Activities IOU cannot or does not intend to undertake	BayREN is focused on serving multifamily owners that need more personal attention and assistance to participate in energy efficiency programs.
2. Pilot activities where there is no IOU program offering and where there is potential for scalability	BayREN is focusing on decarbonization of multifamily building operations. If successful, program components have the potential to scale the volume of gas-to-electric upgrades.

REN Criteria	BayREN Compliance
3. Activities in hard-to-reach markets, whether or not there is an IOU program that may overlap	Current definitions of residential HTR by the CPUC are unclear as to what multifamily properties qualify.

Non-Residential Sector Coordination

Non-Residential – Commercial

BayREN SMCB Summary (BayREN06)

The BayREN Small and Medium-sized Commercial Buildings ("SMCB") program consists of the BayREN Business subprogram. BayREN Business is a population-level, normalized metered energy consumption ("NMEC") program. In January 2022, the program began a transition to using multiple implementers. Today, BayREN Business works with multiple aggregators to deliver whole building EE solutions focusing exclusively on Hard-to-Reach ("HTR") businesses with energy use of equal or less than 150,000 kWh or equal and less than 50,000 therms annually. BayREN Business provides comprehensive technical assistance and bundled measure packages that will be attractive to those customers.

Within MCE territory, BayREN Business will only focus on HTR businesses. A commercial customer is considered HTR if the business is located in a Disadvantaged Community ("DAC") and meets one of the criteria below. Or, if the business is outside of a DAC, the customer is considered HTR by meeting all the criteria below:

- Language – primary language spoken is other than English
- Size – less than 25 employees and/or classified as "Very Small" (customer whose annual electric demand is less than 20 kW or whose annual gas consumption is less than 10,000 therms)
- Leased or rented facilities – Investments in improvements to a facility rented or leased by a participating business customer

In Marin and Napa counties, BayREN Business program is considering the possibility of extending its services to include underserved businesses, as defined in the Commission's decision. The motivation behind this potential expansion is the absence of any DAC in those counties. Consequently, businesses in Marin and Napa must meet additional criteria (2 out of 3) to qualify as HTR, given the current lack of a DAC.

To-date, Marin and Napa counties have exhibited significantly fewer completed projects compared to other San Francisco Bay Area counties. To explore the viability of this expansion in Marin and Napa, BayREN Business staff will collaborate with MCE staff to discuss advantages, disadvantages, and coordination. MCE staff will have the opportunity to provide input before BayREN makes the final decision regarding the implementation of this change. If the expansion is approved, detailed documentation will be included in the next JCM.

Energy Savings – BayREN Business will continue to deploy EE technical assistance and incentives to HTR businesses. These businesses will have access to program referrals to other utility and CCA EE programs.

By working with the BayREN Business program's aggregators and BayREN Building Performance Advisor, business and property owners, as well as property managers, will receive easy-to-access technical assistance that will specialize in bundling cost-effective measures.

Program Referral – BayREN Business recognizes that not all businesses are ideal candidates for a NMEC program experience or fit the HTR definition. For instance, to be eligible for BayREN Business, the potential program participant's energy consumption baseline must be stable. An unstable baseline could adversely impact energy savings performance in the future. Therefore, instead of NMEC, such businesses would be best served by direct-install or point-of-sale rebate programs. As such, BayREN Business, acting through its Building Performance Advisor[15], endeavors to provide referrals to complimentary EE and financing programs (e.g., MCE's current commercial program to the benefit of the customers). Program referrals serve to help other utility and CCA programs achieve the five percent small commercial penetration target in D.18-05-041.[16]

BayREN Refrigerant Program Summary (BayREN10)

The BayREN Refrigerant Replacement ("BRRR") program is an equity program that focuses on replacing environmentally harmful refrigerants with less harmful refrigerants, including natural refrigerants. It also advances refrigeration energy efficiency retrofits using a direct-install approach. The participating business pays little to no out-of-pocket costs. Furthermore, BRRR provides participating businesses with resources to sustain equipment maintenance and track their energy consumption.

Within the MCE territory, BRRR will only serve small food service businesses. Eligibility criteria, including energy thresholds, will be like those of the BayREN Business program. Examples of small food services include sit-down and take-out restaurants, small grocery and corner stores, bars, and community kitchens.

MCE Program Summary (MCE02)

MCE's Commercial Upgrade Program (MCE02x) targets commercial customers in MCE's service area. MCE organized its Commercial Program into participation pathways, with each pathway constituting its own program. The program IDs below refer to the following Commercial programs:

- MCE02A – Commercial Deemed
- MCE02B – Commercial Custom
- MCE02C – Commercial Strategic Energy Management
- MCE02D – Commercial Marketplace
- MCE02E– Commercial Equity

MCE delivers the Commercial Program through partnerships with two different implementers – and each partner focuses on different customer sub-groups and delivery pathways in contributing to the overall Program goals. Collectively, the Commercial Upgrade Program serves nearly any non-residential customer within MCE's service area, and leverages custom, deemed, Normalized Metered Energy

[15] The BayREN Building Advisor is a neutral, third-party advisor that provides technical assistance and program referrals – including programs of other program administrators – to small, medium and hard-to-reach businesses.
[16] D.18-05-041, p. 28.

Consumption ("NMEC") and Strategic Energy Management ("SEM") participation pathways. The Commercial Equity Program is actively in development and will launch in early 2024.

In terms of budget and impact, the most significant component program is the MCE Commercial Efficiency Market –which leverages population-level NMEC and scales up investment in energy efficiency projects within MCE's service area. The Commercial Efficiency Market is a simple and flexible pathway for aggregators to participate. The program provides aggregators flexibility in determining cost-sharing (incentive payments) arrangements with customers. Payments to aggregators are grounded in the cost-effective value of their projects – which is made possible by forecasting the avoided cost value of a project, subtracting participant costs and administration costs, with the remaining value then paid to the aggregator once the forecasted savings are realized at the meter. This incentivizes aggregators to pursue energy efficiency projects that can deliver load-shape optimized energy efficiency.

Under the Marketplace model MCE does not contract individually with participating aggregators. Similar to a midstream or upstream program design, the program does not mandate pre-determined customer rebates or cost-share mechanisms. MCE expects continued expansion of the Commercial Energy Efficiency Market in 2024 as it is positioned squarely as a resource program aimed at delivering cost-effective savings at scale.

MCE also continues to serve the small and medium business community ("SMB") and large commercial sector via deemed, custom and SEM engagement. These sectors are served by an implementation partner with a long track record of high-quality project development with these customer sub-groups. Their work offers MCE an opportunity to provide value-add services in project design, measure selection, energy management training, and support in the identification of financing resources and contractors. Eligible measures may include interior and exterior LED luminaires and lamps, networked lighting controls, connected thermostats, HVAC equipment, advanced rooftop controllers, ductless heat pumps, heat pump water heaters and more, which may apply to customers in retail, office, and other non-residential building types.

Table 6: Comparable BayREN and MCE Commercial Programs

	BayREN	MCE	
Program Name	BayREN Business	Commercial Upgrade Program	Commercial Equity Program
Eligible Measures	Advanced Metering Systems, Boiler Plant Improvements, Energy Management Control System, Building Envelope Modifications, Electric Motors and Drives, Energy/Utility Distribution Systems, Energy Related Process Improvements, Lighting Improvements, HVAC maintenance and replacement, Air Ionization Systems (to reduce build up at fan coils), Appliance and Plug-Load Reductions, Refrigeration & Food Service Equipment, Water and Sewer Conservation Systems	Lighting and lighting controls, appliances, HVAC, Plug Load, Refrigeration, Water Heaters, Evaporator Fans, ECM Motors, VFDs, ASH controls, Advanced digital economizers, Refrigeration controls, Cooler doors, Electric motors	Lighting and lighting controls, appliances, HVAC, Plug Load, Refrigeration, Water Heaters, Evaporator Fans, ECM Motors, VFDs, ASH controls, Advanced digital economizers, Refrigeration controls, Cooler doors, Electric motors, Window film
2024 & 2025 Combined Budget	$ 4,576,889	$16,926,707	$1,825,532

	BayREN	MCE	
Target Audience	Business and Property Owners and Managers of small and medium commercial buildings in the Bay Area with more than 50% of its floor-space used for non-residential activities, up to 50,000 sq-ft, <500-kW Demand, and <250,000 Therms, and their contractors	All commercial customers in MCE's service area.	Commercial businesses <50kW that are located in Disadvantaged Communities and Low Income Census tracts[17]
Resource/Non-Resource	Resource	Resource	Resource

Program Differences and Coordination Protocols

While BayREN and MCE both offer programs targeting SMBs, the programs have several differentiating factors. The key differentiators for BayREN Business include the following: a project delivery model where aggregator partners develop projects directly with customers, a specific focus on HTR businesses with low annual energy consumption thresholds, and an incentive structure that provides upfront incentives based on energy savings estimates followed up by incentives for metered savings in compliance with Commission-approved NMEC methods.

MCE's commercial program, on the other hand, serves all non-industrial and agricultural businesses, including, but not limited to, SMB customers. MCE's program provides 4 different pathways for participation: deemed, custom, NMEC and SEM. MCE does not offer a site-specific NMEC pathway but is instead leveraging population-level NMEC under its Commercial Energy Efficiency Market sub-program.

Notably, the business models of the two NMEC programs are different. MCE's NMEC program is focused on the procurement of cost-effective energy efficiency: rather than provide set incentive levels, payment rates, or qualifying products, the program pays on the Avoided Cost Calculator ("ACC") value of a project. This provides a pathway for a relatively diverse group of participating vendors and offers meaningful flexibility to those vendors in determining the customers and reasonable measures.

On the other hand, BayREN Business relies on multiple aggregators to deliver energy savings based on Total System Benefit value and effective useful life of the measures. Finally, BayREN Business only focuses on HTR businesses, and expects all its 2024 projects to comply with the latest CPUC HTR definition.

The Commercial Equity program will focus on businesses under 50 kW that operate in Disadvantaged Communities and low-income census tracts. The program will be a combination of energy efficiency education, direct-install measures as well as incentives for energy savings projects. The Program Implementation Plan, providing greater program detail, will be published in the first quarter of 2024.

The BRRR program narrowly focuses on small, food service establishments with eligibility criteria like those of the BayREN Business program. Therefore, BRRR's pool of eligible businesses in MCE service territory is expected to be small with little to no overlap in services.

[17] Further definition will be included in the forthcoming Program Implementation Plan. Anticipated in Q1 2024.

For general program coordination, the BayREN and MCE program managers will continue monthly calls to ensure complimentary program development, identify areas of potential coordination, and to eliminate potential double-dipping on ratepayer funds. Specifically, BayREN and MCE will securely share lists of projects (in MCE service territory) underway to prevent double-dipping. Coordination between BayREN, MCE and PG&E third-party programs are detailed in each program's Implementation Plan (IP) filed here: https://cedars.sound-data.com/. BayREN and MCE will follow the IPs as guidance for how to reduce any possible customer confusion and avoid double-dipping if a customer was previously served. To simplify the process of avoiding double-dipping, BayREN Business, BRRR, and MCE's Commercial Upgrade Program will not serve any customer who has participated in a ratepayer-funded EE rebate program during the twelve months of the customer's baseline period.

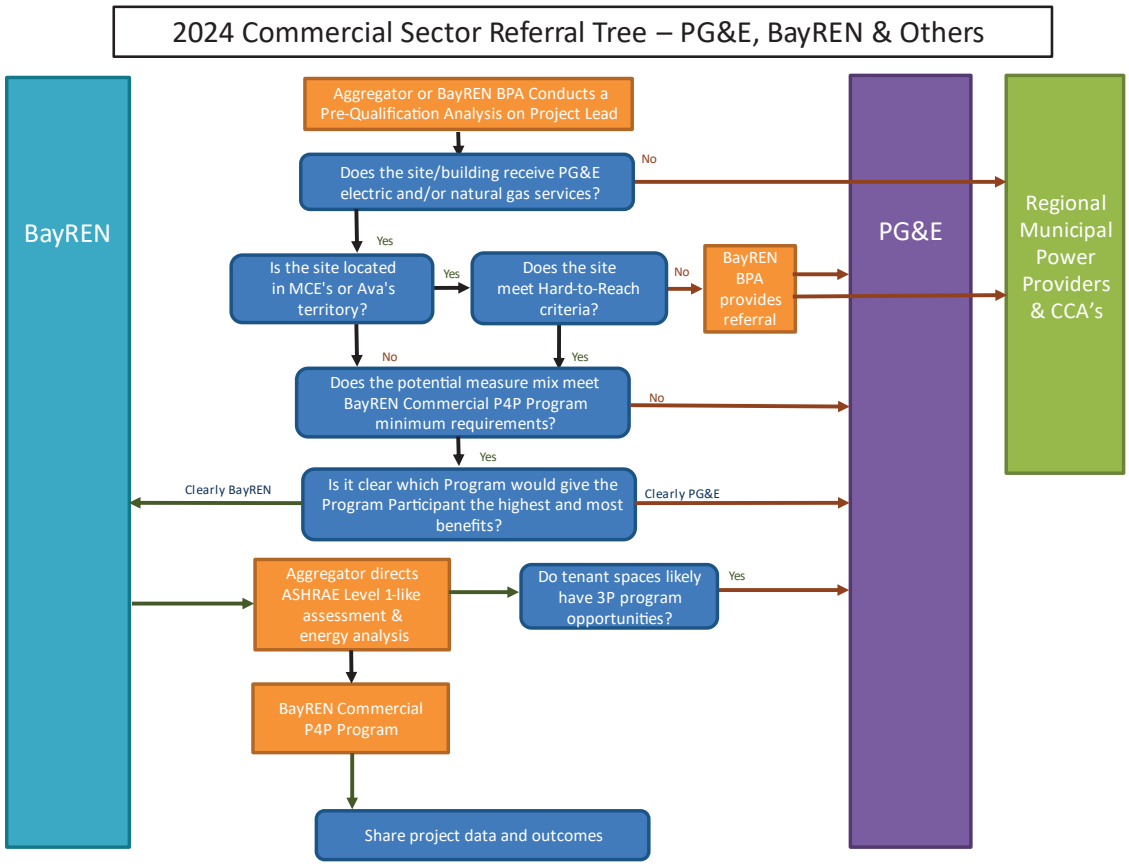


Figure 3: Commercial Sector Referral Tree - MCE/ BayREN/ PG&E/Others

Compliance

Table 7 describes in further detail how BayREN SMCB program satisfies the REN criteria in D.12-11-015.

Table 7: BayREN Small and Medium-sized Commercial Buildings and Refrigeration Programs Compliance with D.12-11-015

REN Criteria	BayREN Compliance

1. Activities IOU/CCA cannot or does not intend to undertake	Not applicable
2. Pilot activities where there is no IOU/CCA program offering and where there is potential for scalability	BayREN Business provides more technical assistance, is specifically targeted to HTR SMBs and is the only currently active program that combines both upfront incentives and backend NMEC incentives to develop a comprehensive project for the HTR SMB sector. As an equity program, BayREN Refrigerant Replacement ("BRRR") was designed to serve small food-service businesses. Within the food-service sector, BRRR intends to fix refrigerant leaks, replace environmentally harmful refrigerants, advance refrigeration energy efficiency measures, and raise awareness on the importance of maintenance. BayREN Business and BRRR have the potential for scalability by heavily leveraging local and regional resources (e.g. downstream and midstream programs, OBF, microloan).
3. Activities in hard-to-reach markets, whether or not there is an IOU/CCA program that may overlap	The BayREN Business program aims to maximize energy savings in the HTR small business sector as cost-effectively as possible. This includes strip mall lessees and individual lessees in office parks and mid-rises, who are often categorized as HTR and are eligible for the BayREN Business program. By targeting these specific groups, aggregators can efficiently recruit numerous businesses without the need for separate recruiting efforts, making the process both cost-effective and streamlined. Administratively, program staff conduct quality assurance and reviews one application for many businesses. The BRRR program aims to serve small food-service businesses. Many of these businesses could qualify as HTR because of their location, number of employees, energy consumption, and tenancy.

APPENDIX A: BayREN Program Compliance with D.12-11-015

Check D.12-11-015 Threshold Criteria that apply for each program	Comparable MCE Program if applicable	1. Activities that utilities cannot or do not intend to undertake.	2. Pilot activities where there is no current offering, and where there is potential for scalability to a broader geographic reach, if successful.	3. Pilot activities in hard-to-reach markets, whether or not there is a current utility program that may overlap.
BayREN Single Family (BayREN08)	Single Family Direct Install (MCE08)	XX	XX	XX
BayREN Green Labeling (BayREN07)	N/A	XX	XX	
BayREN BAMBE (Multifamily) ((BayREN02)	Multifamily Comprehensive (MCE01)	XX	XX	
BayREN Commercial Business (BayREN06)	Commercial Upgrade (MCE02)		XX	XX
BayREN Commercial BRRR (BayREN10)			XX	XX
BayREN Public (BayREN11)		XX	XX	
BayREN Public (BayREN12)		XX	XX	
BayREN Codes and Standards (BayREN03)	N/A	XX	XX	
BayREN Water Energy Nexus (BayREN04)	N/A	XX	XX	
BayREN Workforce Education & Training (BayREN09)	Workforce Education & Training	XX	XX	XX

APPENDIX B: BayREN 2024-2025 Program Portfolio Summary

REN Program Unique ID	Sector	2024 - 2025 Combined Program Budget	Eligible Measures
BayREN Single Family (BayREN08)	Residential	$17,007,814	Duct sealing, attic and wall insulation, HVAC equipment upgrades, Smart thermostats, gas storage water heaters and heat pump water heaters, heat pump clothes dryers, induction cooktop/ranges. Single measure upgrades allowed.
BayREN Green Labeling (BayREN07)	Residential	$3,366,251	N/A
BayREN BAMBE (Multi-Family) (BayREN02)	Residential	$16,939,176	Envelope, HVAC, DHW, lighting, and appliance measures – requires multiple measures, targeting 15-20% savings.
BayREN Commercial (BayREN06)	Commercial	$9,302,388	Lighting and lighting controls; business equipment and appliances; refrigeration components and controls; heating and air-conditioning equipment; hot-water heaters and heat-pumps; building weatherization.
BayREN Commercial BRRR (BayREN010)	Commercial	$8,085,678	Refrigeration measures, environmentally friendly refrigerants including natural refrigerants, refrigerant recycling, and maintenance training and resources.
BayREN Public (BayREN11)	Public	$1,740,061	N/A
BayREN Public (BayREN12)	Public	$1,936,238	N/A
BayREN Codes and Standards (BayREN03)	Cross-cutting	$3,687,205	N/A
BayREN Water Energy Nexus (BayREN04)	Cross Cutting	$3,730,176	Water efficiency upgrades that also deliver energy savings (site and embedded) through the water-energy nexus. Measures are “eligible” to be included as part of a program participant’s on-bill charge. Measures are not limited to energy efficiency eligible measures (EEEMs). Measures are not eligible for BayREN Energy Efficiency Portfolio rebates. IOU rate-payer funds are not used to underwrite or directly finance measure installation. Eligible measures will include, but may not be limited to: A 1.06 gallon per flush or better toilet with a Maximum Performance (MAP) rating of 600 grams or more. A high efficiency (typically 1.5 gallon per minute) showerhead. A 1.0 gallon per minute bathroom faucet aerator. A 1.5 gallon per minute kitchen faucet aerator. Turf removal and irrigation system improvements to prepare sites for drought tolerant landscaping.
BayREN Workforce Education & Training (BayREN09)	Cross-cutting	$5,775,7667	In person Green House Calls and virtual EE kits: LED Lamps, Water Faucet Aerators, Low Flow Showerheads, Tier II Power Strip, smart plug, night light, toilet dye tabs, electrical outlet foam gaskets

APPENDIX C: MCE 2024-2025 Program Portfolio Summary

IOU Program Unique ID	Sector	2024 & 2025 Combined Program Budget	Eligible Measures
Multifamily Energy Savings (MCE01)	Residential	$1,536,354	Whole Building
Multifamily Strategic Energy Management (MCE01c)	Residential	$840,857	Behavioral, Retrocomissioning, and Operational
Commercial (MCE02a-d)	Commercial	$16,926,707	Lighting, Appliances, HVAC, Plug Load, Refrigeration, Custom, Lighting Controls, Whole Building, Water Heaters
Commercial Equity (MCE02e)	Commercial	$1,825,532	Lighting, Appliances, HVAC, Plug Load, Refrigeration, Custom, Lighting Controls, Whole Building, Water Heaters
Single Family Home Energy Savings (MCE08)	Residential	$6,100,984	Lighting, Appliances, HVAC Controls, Water Heaters, low flow showerheads, shower restriction valve (TSV), kitchen and bath aerators, electric heat pump
Industrial (MCE10a-c)	Industrial	$1,551,161	Lighting, HVAC, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Agricultural (MCE11a-c)	Agricultural	$876,637	Lighting, HVAC, Refrigeration, Custom Measures, Lighting Controls, HVAC Controls, Whole Building, Water Heaters
Green Workforce Pathways (MCE16)	Cross-Cutting	$1,911,244	n/a