

DRAFT

COHEN VENTURES, INC., DBA ENERGY SOLUTIONS



Implementation Plan

Industrial Incentive Solutions

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1. Program Overview

Industrial Incentive Solutions (IIS) is an innovative and comprehensive approach to serve large and medium industrial customers with electricity consumption greater than 200 kW in Southern California Edison's (SCE's) service territory. IIS offers incentives to incorporate energy efficient (EE) equipment and technology at their facilities. Incentives are offered through midstream deemed measures, custom measures, downstream fuel substitution measures, qualified downstream deemed measures, and normalized metered energy consumption (NMEC) savings methodologies.

2. Program Attributes

Below is a table that presents the key attributes and structure of the IIS program, highlighting components that guide its delivery and implementation:

Table 1. Program Attributes

Program Budget and Savings		
1	Program Name	Industrial Incentive Solutions
2	Program ID Number	
3	Program Implementer	Energy Solutions
4	Portfolio Administrator	Southern California Edison
5	Program Implementer Type (IOU Core, Third-Party Solicited, REN/CCA)	Third Party Solicited
6	Portfolio Segment (Resource Acquisition, Equity, Market Support, or Codes and Standards) ¹	Resource Acquisition
7	Total Program Budget	\$13,531,012
8	Program Budget by Year	2025 - \$1,417,688 2026 - \$1,830,684 2027 - \$3,055,216 2028 - \$3,616,828 2029 - \$3,610,596
9	Program Duration (Start Date – End Date)	10/1/25 – 12/31/2029
10	Total System Benefit (TSB) (Total Program TSB and TSB by Program Year)	2025 - \$207,754 2026 - \$2,433,321 2027 - \$3,813,958 2028 - \$4,719,804 2029 - \$4,933,029 Total - \$16,107,866

¹ D.21-05-031 Ordering Paragraph 2.

Program Budget and Savings		
11	CO ₂ (Lifecycle, First Year, Net, Gross)	Lifecycle Gross – 56,854 Tons (CO ₂) First Year Gross – 5,997 Tons (CO ₂) Lifecycle Net – 35,840 Tons (CO ₂) First Year Net – 3,786 Tons (CO ₂)
12	kW (First Year, Net, Gross)	First Year – 36 (Net) Net – 1,433 Gross – 2,323
13	KWh (Lifecycle, First Year, Net, Gross)	Lifecycle (Net) – 15,617,317 Lifecycle (Gross) – 25,460,925 First Year (Net) – 292,096 First Year (Gross) – 442,631
14	Therms (Lifecycle, First Year, Net, Gross)	Lifecycle (Net) – 177,700 Lifecycle (Gross) – 177,700 First Year (Net) – 0 First Year (Gross) – 0
15	Program Cost Effectiveness: Total Resource Cost (TRC): (Total TRC and TRC by Year)	2025 – 0.23 2026 – 1.04 2027 – 1.04 2028 – 1.04 <u>2029 – 1.09</u> Total – 1.02
16	Program Cost Effectiveness: Program Administrator Cost (PAC): (Total PAC and PAC by Year)	2025 – 0.24 2026 – 1.33 2027 – 1.26 2028 – 1.32 <u>2029 – 1.38</u> Total – 1.32
17	Market Sector(s) (i.e., Residential, Commercial, Industrial, Agricultural, Public or Cross-Cutting; if multi-sector, provide estimated % of the total budget for each sector)	Industrial
18	Program Type (i.e., Non-Resource, Resource)	Resource Acquisition
19	Delivery Type(s) (i.e., Upstream-Manufactured, Midstream-Distributor, Midstream-Retail, Downstream, Downstream - Direct Install, ² Codes & Standards ³)	Midstream-Distributor, Downstream, Custom, NMEC

² <https://cedars.sound-data.com/deer-resources/deemed-measure-packages/guidance/>.

³ Database for Energy Efficiency Resources (DEER) 2026 Delivery Types.

Program Budget and Savings		
20	Intervention Strategies (e.g., Strategic Energy Management [SEM], Market Access Program [MAP], Direct Install, Incentive, Finance, Audit, Technical Assistance, Advocacy, Training, Marketing and Outreach, etc.)	Incentive, Technical Assistance, Marketing and Outreach
21	M&V Methods (e.g., Deemed, Custom, NMEC – Population, NMEC – Site, SEM M&V, Randomized Controlled Trial [RCT], Other [if applicable, describe other M&V method])	Deemed, Custom, NMEC- site

3. Implementation Plan Narrative

1. Program Description

IIS is an innovative and comprehensive resource acquisition approach to the industrial sector that comprises custom, NMEC, downstream, and midstream deemed savings. IIS will be delivered by the Program Team, which consists of Energy Solutions and its subcontractor, Cascade Energy. Custom projects, NMEC savings, fuel substitution, and industrial midstream approaches, achieved through customer consulting and market actor outreach, will be strategically employed to overcome market barriers and achieve savings among 2,000 service accounts currently consuming 10.5 million MWh in SCE's service territory. To expand the program, measures offered within the midstream approach will be offered to all large and medium sized eligible industrial customers. The high-level objective of the program is to maximize participation from industrial customers through multiple program delivery and savings pathways.

Participation among industrial customers in traditional EE programs has historically been limited. This innovative program design seeks to close that gap by addressing unique challenges and unmet needs of the industrial market. To drive greater engagement and maximize participation, the program will:

Target energy intensive industries with a custom program: The IIS custom program will target industrial customer segments with the highest potential for savings, with a special focus on food processing customers as ripe for energy savings.

Implement Site-Level NMEC for eligible customers: IIS will identify NMEC projects, to the extent they are similar to ones that would be carried out in commercial buildings. Prospective opportunities include large offices, labs, warehouses and research buildings associated with industrial facilities.

Identify new deemed measures that will resonate with, and are customized for, the Industrial SCE market: IIS will also propose new eTRM measures to expand savings opportunities focused on industrial customers. The proposed new measures include high volume low speed fans, FEI-rated fans, VFDs for process chiller pump motors, engineered nozzles for compressed air systems, zero loss drains for compressed air systems, and high frequency battery chargers for electric forklifts.

The timeline for developing new measures and getting them formally approved can vary significantly, but IIS has allotted a 12-month period for measure package development of new

deemed measures. IIS began developing measure packages upon CPUC advice letter acceptance and the measure packages will be worked on through 2027.

Move deemed measures to midstream: IIS will move deemed measures from downstream to midstream program delivery types, allowing distributors to aggregate sales and move measures at higher volumes. Some measures, such as Water Pump Upgrade, Circulating Block Heater, UL Type B LED Mogul Lamps, and VFD Retrofit for Air Compressor already have midstream (Mid-Distr) as a delivery type. IIS will work with the Lead IOU for each respective measure package to ensure that the midstream (Mid-Distr) program delivery type is added to each measure package. The following measure packages will need to be updated to include Mid-Distr delivery type:

- VFD on Rod Beam Pump, (SWPR008-02)
- VFD for Dust Collection Fan, (SWPR005-03)
- Central Chillers, (SWHC008-02)

Coordination across midstream, downstream, custom, and NMEC programs: For Custom and NMEC, IIS will include projects that cannot be processed through existing third-party programs and will pursue the following customer screening strategies to avoid double dipping:

- Confirm the customer is on an industrial rate schedule. Given limited existing industrial programs besides Strategic Energy Management (SEM) programs, and SEM's cohort-based program design (i.e. targeted customer enrollment), double-dipping can be mitigated by conferring with SCE on already-enrolled SEM customers to monitor for enrollment in IIS, especially given the IIS program team's ongoing role implementing SEM programs for SCE.
- Require customer attestation that the measure did not and will not receive other incentives.
- Cross-check recent data to ensure incentives were not previously paid on the same measure.

IIS will work with SCE on double dipping intervention strategies prior to launch. The most common strategy is to conduct comparative analysis of downstream and midstream data regularly. This can be done by cross-checking addresses, measures installed and invoice numbers.

2. Performance Tracking

IIS will provide monthly progress reports that will include the following performance metrics and content:

- Energy Savings (kWh, kW, Therms)
- TSB Achieved (\$)
- Schedule Adherence (expected performance VS actual)
- Project Pipeline Data and Target (kWh, kW, Therms)
- Inspection Results
- Marketing Strategy
- Customer Satisfaction Survey Responses
- Risk Management
- Equity and number of customers located in DACs

The primary performance metrics are:

- Total System Benefit (TSB) (\$)
- Total Resource Cost (TRC) Ratio

Year	Goal TRC	Goal TSB
2025	0.23	\$207,754
2026	1.04	\$2,433,321
2027	1.04	\$3,813,958
2028	1.04	\$4,719,804
2029	1.09	\$4,933,029
Total	1.02	\$16,107,866

The following indicators are used to track program progress:

- Forecasted TSB to date (\$)
- Actual/forecasted peak demand savings (kW)
- Actual/forecasted energy savings (kWh)
- Total incentive budget reserved (\$)
- Payments to aggregators to date (\$)

3. Program Delivery and Customer Services

IIS is responsible for ensuring seamless, high-quality experience for program participants from initial engagement through project completion. Large industrial customers will experience clear communication, timely responses, and personalized support. This includes assisting with program enrollment, addressing inquiries and guiding participants through each step of the process. IIS will deliver consistent, reliable and high-quality program services utilizing tried and true energy efficiency program tactics, outreach methods, and customer recruitment approaches.

Program Tactics:

IIS is unique hybrid program that combines custom, NMEC, downstream, and midstream deemed savings, and as a result, utilizes a wide array of program tactics to achieve its goals. Each program type employs different tactics to achieve the larger IIS program metrics, and are discussed in more detail below:

Custom and NMEC (Downstream)

Project Recruitment: IIS will reach out to a variety of stakeholders and vendors including manufacturers, distributors and contractors to develop project leads. In addition, IIS will leverage customer and vendor relationships developed through SCE and Southern California Gas Company (SoCalGas) programs already being implemented in the industrial sector. Specific recruitment approaches include:

- **Regional Connections:** The IIS team currently delivers industrial SEM programs in SCE and SoCal Gas service territories. Some large industrial customers contacted for SCE's SEM program find it is not the right time for them to participate in SEM but still have capital and NMEC project opportunities to discuss. IIS will capture projects that may otherwise be lost opportunities.
- **Vendor Relationships:** IIS will work with key vendors serving the industrial sector to develop leads for custom projects.
- **SCE Referrals:** SCE Account Executives refer eligible industrial customers with custom or NMEC project opportunities to the Program.

Project Development and Installation. For custom projects, IIS will provide project engineering and management support. After the project is approved for implementation by SCE and CPUC, IIS will provide ongoing support to help the customer overcome project implementation barriers. IIS engineers can also help the customer make the business case for the custom project internally.

For NMEC projects, IIS engineers will conduct an energy scan to identify capital and no and low-cost BRO measures for implementation. They will work with the customer to prioritize identified measures and provide regular consulting support to help overcome implementation barriers. The Program Team's experience indicates that industrial customers value receiving free, relevant technical guidance from industrial systems experts to help develop and manage their energy-saving projects from inception to completion. This technical support will result in more completed projects and higher participant satisfaction.

Deemed Industrial Midstream

New Measure Packages: IIS will collaborate with manufacturers and distributors to gain market insights and work with SCE and the other California IOUs to obtain approval to develop industrial measures for eTRM inclusion. IIS will work with lead IOU and follow the CalTF measure package development six step process.

IIS has the existing infrastructure to seek out and add new measures to programs. IIS staff have extensive experience developing new measure packages to be adopted in the eTRM. In 2012, the Program Team currently delivering IIS was the first in the nation to model savings and develop measure packages for variable refrigerant flow systems, which enabled California IOUs to offer the first prescriptive rebates for these measures and address an issue that was limiting their ability to access energy savings. IIS will do the same for SCE's Industrial energy efficiency offerings.

Distributor Assessment and Enrollment: Through existing contacts and leads from the field, IIS will enroll distributor participants. When industrial equipment vendors bring deemed measure leads to IIS, IIS will provide technical and program guidance about eligible measures and available incentives. While this support helps IIS ensure appropriate deemed measure applications, it will also help the vendor make a sale, ensuring their satisfaction with the program.

Any distributor who sells eligible equipment can be enrolled in the midstream program. A distributor typically purchases equipment directly from a manufacturer. Under certain circumstances, a manufacturer may also own a distribution company and sell equipment directly to end-use customers through their vertically-integrated supply chain. Both would be considered eligible to participate. However, it is best to consider whether a distributor would be a good fit for the midstream model. Eligibility factors that the Program Team will consider include the following:

1. Do they sell any new, high efficiency equipment? Are they interested in selling more high efficiency equipment?
2. Do they have customers in the SCE service territory?
3. Do they serve industrial clients?
4. Why are they interested in the Program?

IIS will request all eligible distributors who want to participate in the Program to sign a Distributor Participation Agreement (DPA) and provide a W-9 form. The DPA template and draft will be shared with SCE's program team for any reference to SCE tradename/trademarks as deemed appropriate for the program's use prior to enrolling distributors. The DPA will describe the program, collect essential distributor information, and define terms and conditions for participation.

Once the distributor has sent back the signed DPA and W-9 form, IIS will create a payee account and user account in Iris and provide the distributor training and a user's manual.

Program Outreach:

IIS will employ a variety of program outreach strategies to have as wide of a reach and large of an impact as possible in the industrial sector. Outreach strategies such as direct outreach, partnering with SCE account executives, taking advantage of industry relationships, and utilizing IIS' dedicated Trade Ally Management (TAM) team will be used across the program.

Custom and NMEC (Downstream)

Direct Outreach: IIS currently delivers other DSM programs to large industrial customers of SCE and SoCalGas. These programs typically include a treasure hunt or facility audit to identify energy-saving opportunities. IIS will leverage this work to cost-effectively develop leads, especially for customers who decline to participate in other industrial sector programs. In these cases, IIS' program influence will be demonstrated by engaging customers who otherwise would not have participated in local energy efficiency programs through SCE. Similarly, if IIS conducts outreach on behalf of an SEM program and potential candidates find it is not the right time for them to participate in SEM but still have other project opportunities to discuss, they will be referred to IIS. IIS expects to capture projects that may otherwise be lost opportunities. IIS will also coordinate outreach to regional distributors and equipment vendors that serve industry to develop project leads.

Partner with SCE Account Executives: Collaboration with SCE account executives will help support lead identification. Outreach led by known and trusted parties will increase customer satisfaction with the process and increase enrollment. IIS will assess the customer's interests, energy program maturity, and savings potential, and direct the customer to the best fit for their needs, either Industrial SEM or IIS.

Deemed Industrial Midstream

Industry Relationships: IIS will ensure all program distributor participants regional offices and networks are trained on the benefits of energy efficient technologies, and on the incentives and rules of programs available to their sales staff. Additionally, IIS has built regional relationships across the industrial sector through their work as implementers in SCE and SoCalGas territory. Using the background in engaging market actors in midstream programs, in tandem with the existing contacts across the industrial sector, IIS can directly reach the right customers.

Trade Ally Management Team: The IIS dedicated TAM team develops and grows strategic relationships with local, regional, and national market actors across the country. The TAM team has relationships in every equipment supply chain. IIS will leverage its TAM relationships to engage vendors and distributors in deemed incentives, allowing the program to launch fast with immediate program lift and continuous, cost-effective growth.

The TAM team will regularly gather intelligence from global, national, and regional market actors to keep tabs on the global distribution chain to inform Industrial Incentive Solutions. The Program Team analyzes and shares this information through the monthly *SCA (Supply Chain Assessment) Newsletter*.

By reaching out to our manufacturer and distributor networks, IIS gains insights and opens discussions with potential participants. Electrical distributors are looking to grow their product line in the midstream space and move products that have low adoption rates into facilities. These interviews expose the eagerness from electrical distributors to participate in programs beyond lighting. Electrical distributors have untapped measure potential in the industrial space.

Targeted Market/Customer:

IIS is an industrial energy efficiency program. As such, the target customer is large and medium industrial customers with electricity consumption greater than 200 kW in SCE's service territory. Below is more detail on the key industrial market segments (including DACs) and the marketing approach IIS will take to market IIS to this industrial customers.

Large and Medium Industrial Customers: Industrial segments common in the SCE service territory include food and beverage, metals, plastics, packaging, cement, aerospace, minerals, pharmaceuticals, and port facilities. These segments align with the market segments that Guidehouse's *2023 Energy Efficiency Potential and Goals Study*⁴ (referenced hereafter as the P&G Study) identifies as most appropriate for SEM, which are typically large, complex facilities that will have custom opportunities as well. For custom projects, IIS is targeting eight to ten percent of the large to medium industrial customer base, to participate by pursuing leads coming primarily from the field. For deemed midstream projects, IIS is targeting approximately two to five percent overall customer participation.

Large Industrial Customer Marketing Approach: IIS will leverage its existing market relationships. Because IIS already deliver programs to large industrial customers in SCE territory and the vendors that serve them, they have regular interactions and trusted relationships. As a result, IIS is uniquely able to market to large industrial customers cost-effectively. This approach is called "field intel-driven" because it relies on insights and leads from staff in the field rather than a formal marketing and outreach campaign.

IIS will succeed where other industrial programs have seen numerous project opportunities stranded. Stranded projects had no DSM program available to provide the customer with the support needed to get the project developed, approved, funded, and implemented. One real-world example is:

⁴ Guidehouse, 2023 Energy Efficiency Potential and Goals Study, <https://www.cpuc.ca.gov/-/media/cpuc-website/divisions/energy-division/documents/energy-efficiency/2023-potential-goals-study/final-2023-group-e-pg-study-report.pdf>, accessed. 2/16/2024.

- Recruiting conversations with potential program participants who mentioned a refrigeration system with an abnormally high discharge pressure and multiple air handler unit schedule upgrades that could result in more than a million kWh in annual savings.

Disadvantage Communities (DACs):

IIS has found that large food and beverage and other manufacturers are situated in DACs in SCE's territory and expects that many other IIS participants will also be in DACs. An important benefit of increasing the energy efficiency and reduction in emissions from these businesses is improved air quality, especially important in DACs.

IIS will use a customer relations management (CRM) database called Pipedrive to help track and report on DAC recruitment progress. With no additional historic focus on enrolling customers located in DACs, approximately 77 percent of all SCE large industrial SEM participants to date have been in DACs. IIS expects to see equivalent results.

4. Program Design and Best Practices

Outlined below in Table 2 are the strategies and tactics the program will employ to mitigate market barriers for the industrial market, facilitating progress towards program's goals and objectives.

Table 2. Strategies and Tactics to Reduce Industrial Barriers

Barrier	Description	Strategy & Approach to overcome Barrier
Low rebates	• Deemed industrial measure adoption has recently been minimal. • A single rebate might not be motivational for a customer.	• <u>Process deemed measures in larger volumes:</u> Distributors delivering product in volume find individual low deemed incentives attractive, and deemed measures reduce the burden of participation for both market actors and customers compared to custom savings for low rebate amounts. • <u>Educate distributors on the new opportunity:</u> The Program Team will use direct outreach, such as webinars and phone calls, to leverage existing manufacturer and distributor relationships. The Program Team will particularly target electrical distributors who understand the needs of industrial clients. • <u>Minimize barriers to entry:</u> Collect necessary data on one easy-to-use form. Distributors will then be able to bulk upload applications in one form that will provide larger incentive payments, making the time investment worthwhile. • <u>Provide sufficient incentives to motivate the market:</u> Program Team will design incentive amounts for each measure that cover a significant portion of the incremental measure cost, motivating the market to participate in the program.

Low NTG	• Low evaluated net-to-gross (NTG) make deemed measures less attractive.	• <u>Technical support</u>: Provide technical guidance to customers and vendors to identify energy efficiency opportunities impacts and their potential operational to influence appropriate equipment selection. Over time, we expect this technical guidance to show the program helped influence participants to select appropriate energy-saving equipment and lead to increase NTG. • <u>Distributor and equipment dealer stocking interviews</u>: IIS will conduct interviews with distributors and equipment dealers during initial program enrollment, and regularly throughout the program duration, to collect information on the percentage of high efficiency equipment stocked and sold. Changes in stocking and sales of high efficiency equipment will directly illustrate program influence on high efficiency sales. • <u>Influencing high efficiency sales</u>: Deemed midstream measures will allow market actors to stock and upsell high efficiency equipment at the point of sale, supporting increased NTG rates for these measures.
Relevancy	• The eTRM does not have enough deemed industrial savings measures to create impact. • Measures have been outdated, rolled into code, or not considered.	• <u>New measure packages</u>: Work with lead IOU for measure package development to submit several industrial energy efficiency measure packages for consideration. Program Team will create measure package proposals and plans to CalTF, and, with approval, submit measure packages to CPUC.
Stranded Projects	• Viable energy efficiency opportunities with attractive economics are identified, yet these opportunities are stranded because there is no Demand-side Management (DSM) program available to serve the customer.	• <u>Technical and financial support</u>: offer technical engineering, project management, and incentives for customers. • <u>Business case support</u>: Help customers make the business case for these projects internally to get faster buy-in, leading to more projects funded and implemented.
Burdensome Industrial Program Participation Requirements	• Burden of submitting downstream prescriptive applications • Risk of application errors and/or fraud	• <u>Iris incentive processing system</u>: IIS will use its highly configurable incentive processing system, Iris, to process claims. Iris provides a quick and easy incentive claim submission process for distributors and a suite of user-friendly administrative, data validation, reporting, and invoicing capabilities for SCE, distributors, and IIS.

		Qa/Qc process and Iris flag configurations: IIS will follow best practices for risk reduction outlined in Qa/Qc plan. Beyond SCE requirements, configurable checkpoints in Iris allow for manual review, quality control steps, and customized reporting and data analysis to reduce risk of application errors and/or fraud.
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5. **Innovation**

IIS will utilize an innovative approach and offer a comprehensive set of solutions to engage industrial customers in saving energy while supporting California’s decarbonization goals. Innovative solutions include opportunities to promote and support change-outs of low global warming potential (low-GWP) refrigerants, deemed and custom fuel substitution measures as well as custom, deemed and NMEC solutions. The combination of custom, NMEC, and deemed savings pathways, along with both downstream and midstream delivery types, provides industrial customers with a wide range of options and participation pathways that will help maximize savings per site.

IIS will pursue opportunities to promote and support change-outs to low global warming potential (low-GWP) refrigerants. Low-GWP refrigerant blends have evolved sufficiently in recent years to make refrigerant change-out projects feasible without significant capital investment. These projects do not typically result in energy savings by themselves. However, they enable both environmental and TSB benefits (when claimed using the Refrigerant Avoided Cost Calculator) while helping program participants address upcoming phase-outs of prohibited refrigerants. Additionally, any components that are replaced during these change-outs can be upgraded to more efficient units.

As mentioned, IIS has a dedicated TAM team that has grown strategic relationships with local, regional, and national market actors across the country. The TAM team has relationships in every equipment supply chain, including industrial. IIS will leverage those relationships to engage vendors and distributors in deemed incentives, allowing the program to launch fast with immediate program lift and continuous cost-effective growth.

IIS will leverage its existing market relationships. Because the IIS Program Team already delivers programs to large industrial customers in SCE territory and the vendors that serve them, they have regular interactions and trusted relationships. As a result, the Program Team is uniquely able to market Industrial Incentive Solutions to large industrial customers cost-effectively. This approach is called “field intel-driven” because it relies on insights and leads from staff in the field rather than a formal marketing and outreach campaign.

This combined approach is a major innovation in industrial EE program design, and its success will ultimately be measured in its ability to drive additional TSB benefits for industrial customers in SCE’s territory.

6. **Pilots**

N/A for the Program.

7. Workforce Education and Training (WE&T)⁵

N/A for the Program.

8. Workforce Standards⁶

IIS program participants will be required to adhere to the following workforce standards to participate in the program:

- a. HVAC Measures: Participating aggregators must adhere to all requirements for workforce standards established by the Commission. As part of the program participation agreement process, aggregators affirm qualifications and licensure to perform the proposed work.
- b. Advanced Lighting Control Measures: Participating aggregators must adhere to all requirements for workforce standards established by the Commission. As part of the program participation agreement process, aggregators will affirm qualifications and licensure to perform the proposed work.

Workforce Standards are likely applicable for the subset of energy-saving projects that involve installation, modification, and maintenance of HVAC or Lighting systems as discrete standalone projects of \$3,000 or more for HVAC projects and \$2,000 or more for lighting controls projects per D.18-10-008 which will be followed by the Program Team. Customers must contract with qualified service providers for this work in order to be eligible to receive a rebate or incentive for the project. In cases where Customers elect to receive rebates or incentives for these project types, IIS will:

- Provide a notice to the Customer or applicable Contractor about the certification requirement being a condition of receiving the rebate or incentive.
- Make a minimum of two good-faith attempts to obtain compliance documentation and Customer signature. IIS will send the Customer an email explaining what documentation is required, why, and by what date. If the Customer is not responsive, IIS will provide one follow-up email or phone call to request the compliance documentation a second time.

In cases where Customers or Contractors fail to show compliance for Lighting or HVAC measures where Workforce Standards apply, they will forfeit any incentive or rebate associated with the measure. If the Customer is not responsive after two good-faith attempts to obtain compliance documentation, the Program Team will back out the savings from the NMEC or Custom project claim and provide documentation in the final savings report explaining the rationale.

⁵ D.18-05-041, Page 20-21 and Ordering Paragraph 7.

⁶ D.18-10-008, Ordering Paragraph 1-2 and Attachment B, Section A-B, Page B-1.

9. Disadvantaged Worker Plan⁷

CPUC D.18-10-008 does not specifically apply to this Program because it does not include direct installations, repair, or maintenance of equipment.

10. Market Access Programs

N/A for the Program.

11. Additional Information

N/A for the Program.

4. Supporting Documents

1. Program Manuals and Program Rules

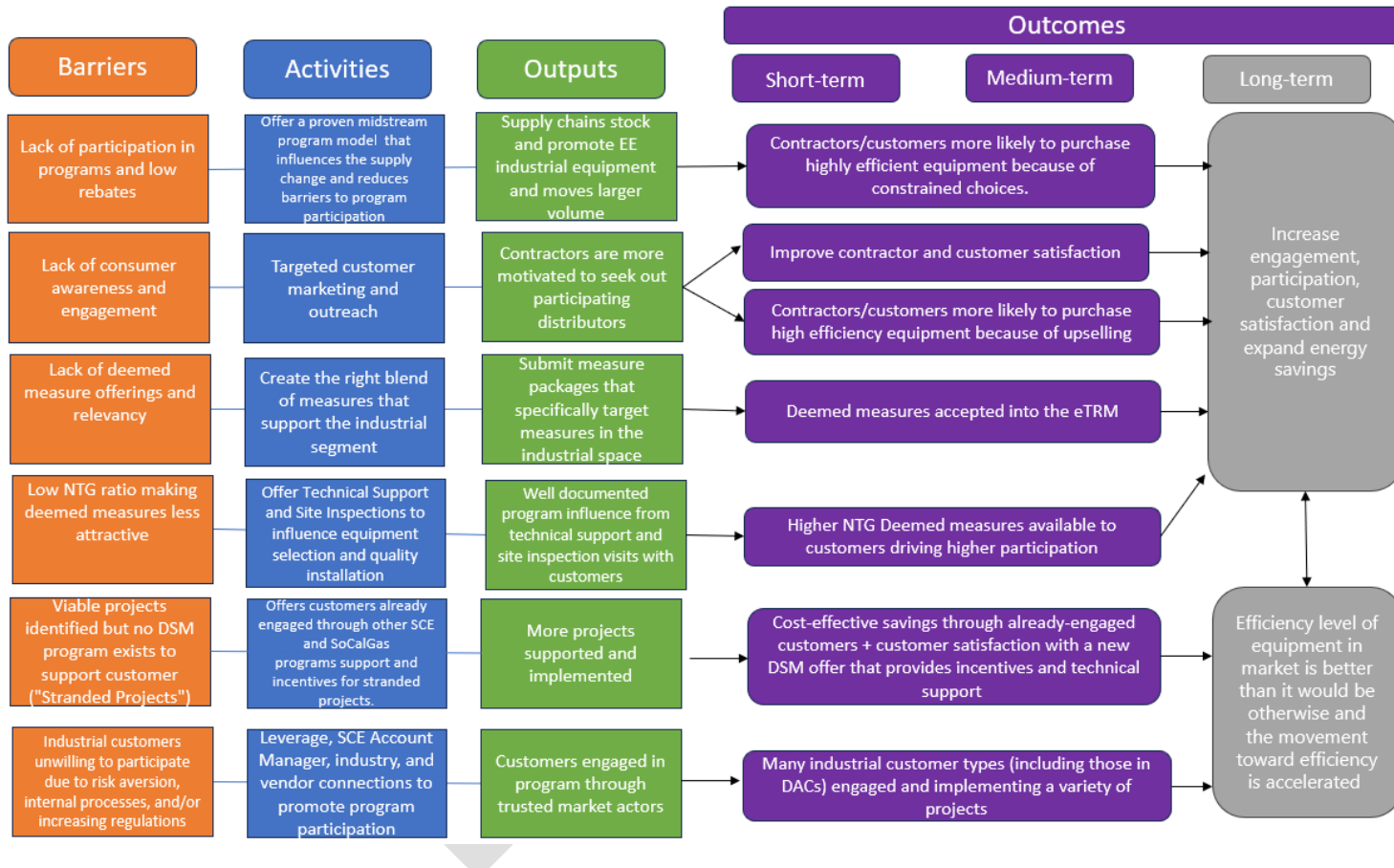
The program manual is attached to this implementation plan.

⁷ D.18-10-008, Attachment B, Section D, page B-9.

2. Program Theory and Program Logic Model

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

Figure 1: Program Theory and Program Logic Model



3. Process Flowcharts

Figure 2 below depicts the IIS Program process flow for deemed/midstream projects:

Figure 2: Deemed/Midstream Process Flow Chart

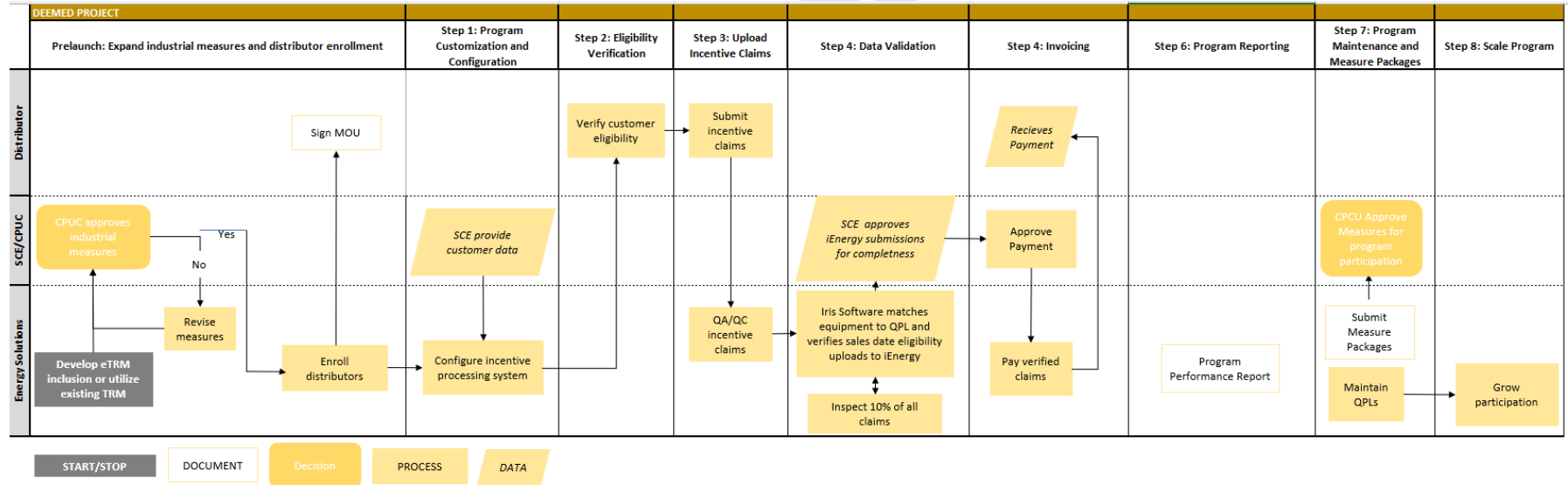
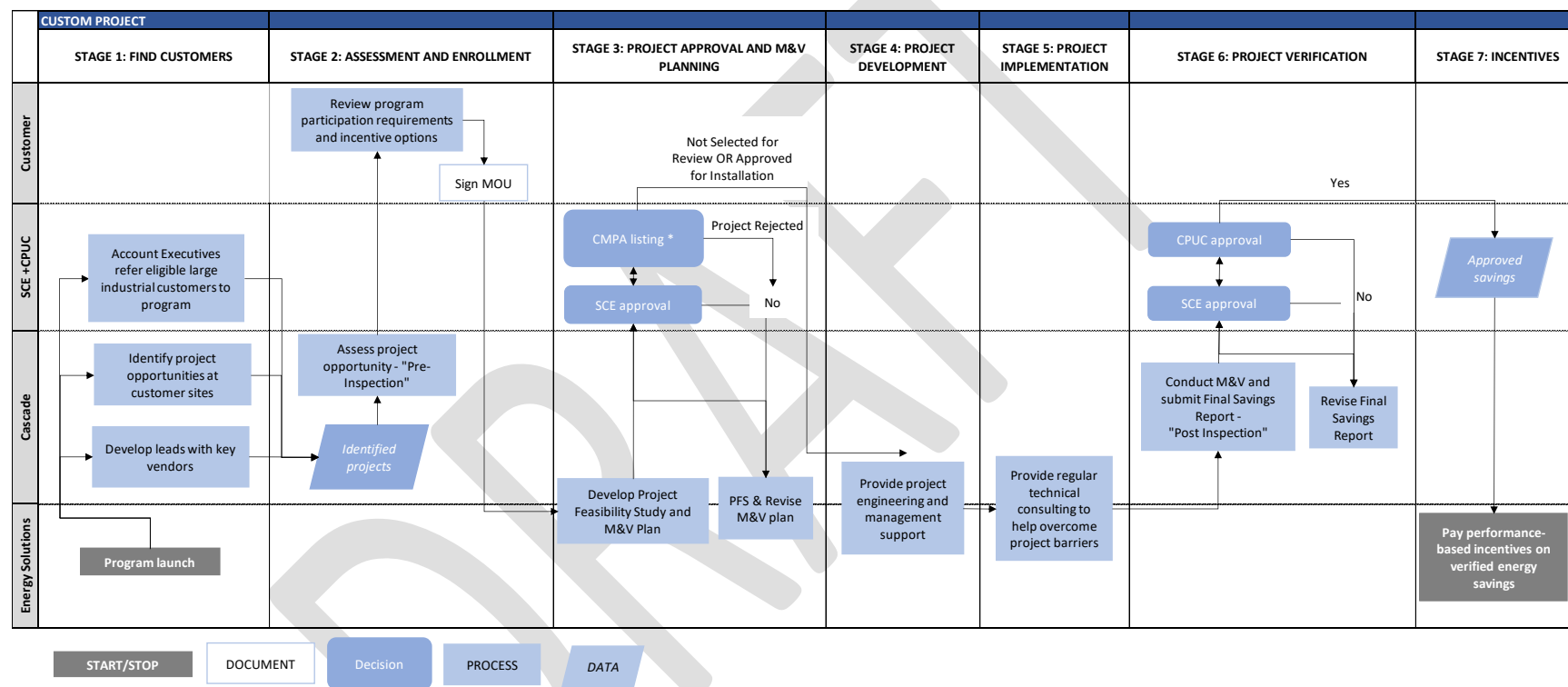


Figure 3 below depicts the IIS Program process flow for custom projects:

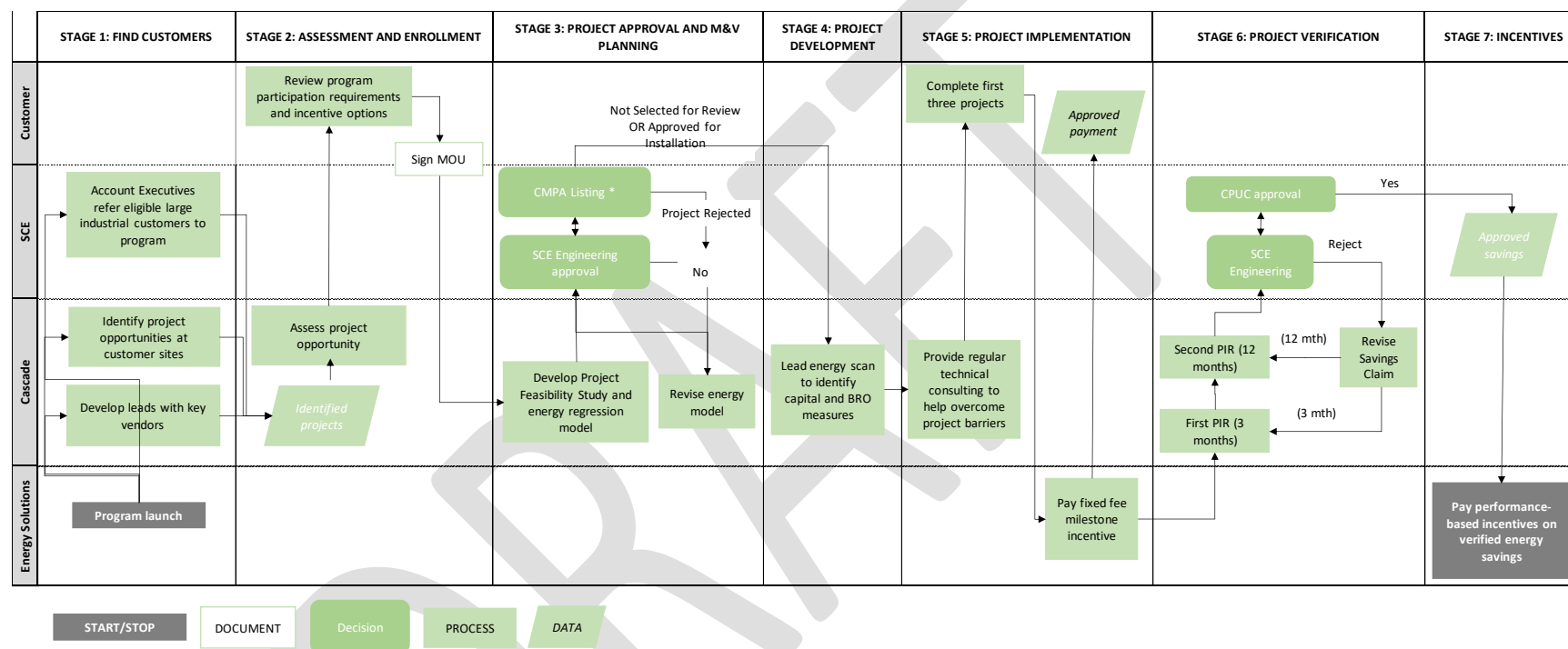
Figure 3: Custom Process Flow Chart



*Follow CPUC Custom Project Review Process as outlined in Figure 1 of the CPUC Staff Selection and Response Timing Protocol for Energy Efficiency Custom Project Review available here: [CPUC Energy Division \(file.ac\)](#)

Figure 4 below depicts the IIS Program process flow for NMEC projects:

Figure 4: NMEC Process Flow Chart



*Follow CPUC Custom Project Review Process as outlined in Figure 1 of the CPUC Staff Selection and Response Timing Protocol for Energy Efficiency Custom Project Review available here: [CPUC Energy Division \(file.ac\)](#)

4. **Measures and Incentives**

This section details the different measures and incentives levels IIS will offer, for deemed downstream, midstream, custom, and NMEC; in addition to providing estimated TSB achieved from each aspect of the program.

Table 3: Measure Category and Percentage of Program TSB Savings

Measure Category	2025 % of Total TSB	2026 % of Total TSB	2027 % of Total TSB	2028 % of Total TSB	2029 % of Total TSB	
Deemed	100%	78.74%	62.26%	58.16%	62.52%	
Custom	0.00%	0.00%	11.17%	12.58%	16.04%	
NMEC	0.00%	19.34%	15.49%	13.43%	1.90%	
Custom – Fuel Substitution	0.00%		0.00%	9.78%	14.73%	18.41%
Deemed – Fuel Substitution	0.00%		1.92%	1.30%	1.11%	1.14%

Incentive rates will be posted on the program website and included in various program materials. Incentive rates may be updated from time to time.

(a) **Incentive Tables, Measure Packages, Software Tools:**

Active and Complete Deemed Midstream Measure Table

There are two measure tables for midstream deemed (1) Table 4 lists active measure packages that will be employed at launch (2) Table 5 lists all deemed midstream measures, active and future measure packages that will be developed, and provides a URL link to active measure packages.

Table 4: Active Deemed Midstream Measure Packages

Measure	Units	Statewide Measure ID
Air compressor VFD, 5 to 25 hp	HP	SWCA001-05
Rod beam VFD pump, gas production or petroleum, 10-150 HP	Each	SWPR008-02
Dust collection fan VSD, 10-150 HP	Each	SWPR005-03
Clean water pump, variable speed, 1-250 HP	HP	SWWP004-04
Clean water pump, constant speed, 1-250 HP	HP	SWWP004-04
Variable speed drive on chilled water pump (CHWP)	HP	SWHC008-02
Variable speed drive on condenser water pump (CWP)	HP	SWHC008-02
Circulating block heater, 37 - 199 kW	Each	SWPR004-05

Circulating block heater, 200 - 799 kW	Each	SWPR004-05
UL Type B LED mogul base lamp, 43W to 227W	Lamp	SWLG020-03

Note: Measure packages SWWP004-04 and SWHC008-02 are set to end on 12/31/2025. The measure packages are planned to be continued into 2026-2027, but the new measure package versions do not have a set effective date yet. The measure packages will receive updated version numbers once they have been updated.

Table 5: IIS Deemed Midstream Complete Measure List

Measure Package Name	Short Description	URL link or location name
Forklift battery chargers	High frequency forklift battery charger	Measure package yet to be developed
FEI fans	High efficiency fans rated using the Fan Energy Index (FEI)	Measure package yet to be developed
SWWP004-03 Water Pump Upgrade	PEI-rated water pump upgrades	https://www.caetrm.com/measure/SWWP004/03/
SWCA001-04 Air compressor VFD, 5 to < 15 hp	Rotary screw air compressor with VFD	https://www.caetrm.com/measure/SWCA001/04/
SWCA001-04 Air compressor VFD, 15 to < 25 hp	Rotary screw air compressor with VFD	https://www.caetrm.com/measure/SWCA001/04/
SWPR008-01 VFD on Rod Beam Pump	VFD on oil well rod beam pump	https://www.caetrm.com/measure/SWPR008/01/
SWHC008-02 VSD for a Central Plant System	VFD on glycol pump or condenser pump for a central chiller plant system	https://www.caetrm.com/measure/SWHC008/02/
SWPR005-03 VFD for Dust Collection fan	VFD for dust collection fan in baghouses on agricultural and industrial facilities	https://www.caetrm.com/measure/SWPR005/02/
Destratification fan (HVLS)	Destratification fans for warehouses to reduce temperature stratification in warehouses and industrial facilities	Measure package yet to be developed
Air compressor, engineered nozzles	Engineered nozzles for air compressor end use stations	Measure package yet to be developed
Air compressor, zero loss drains	Zero loss drain for air compressor storage tanks	Measure package yet to be developed

SWPR004-05 Circulating block heater	Recirculation pump block heater for backup diesel generator	https://www.caetrm.com/measure/SWPR004/04/
VFD for glycol pump motor	VFD on glycol pump for process cooling chiller systems	Measure package yet to be developed, expand existing glycol pump measure package for wineries to industrial process cooling applications
SWLG020-03 UL Type B LED Mogul Base Lamp HID Retrofit	Mogul screw-based LED lamp replacement for HID lights	https://www.caetrm.com/measure/SWLG020/02/

Deemed Downstream Measure Table

The following table provides a list of the deemed measure packages that will be offered through the downstream program delivery channel:

Table 6: Deemed Downstream Measure Packages

Measure	Units	Statewide Measure ID
HPWH Commercial, Fuel Substitution	Each	SWWH027-06-4
Large HPWH, Commercial, Fuel Substitution	Each	SWWH028-07-01
HPWH, Commercial	Each	SWWH031-05-2

Rebates vary based on building type, climate zone, and HPWH capacity (e.g. gallons).

Custom and Site-level NMEC Measure Table

The following table provides a list of the incentive levels that will be offered through the custom and site-level NMEC program delivery channels:

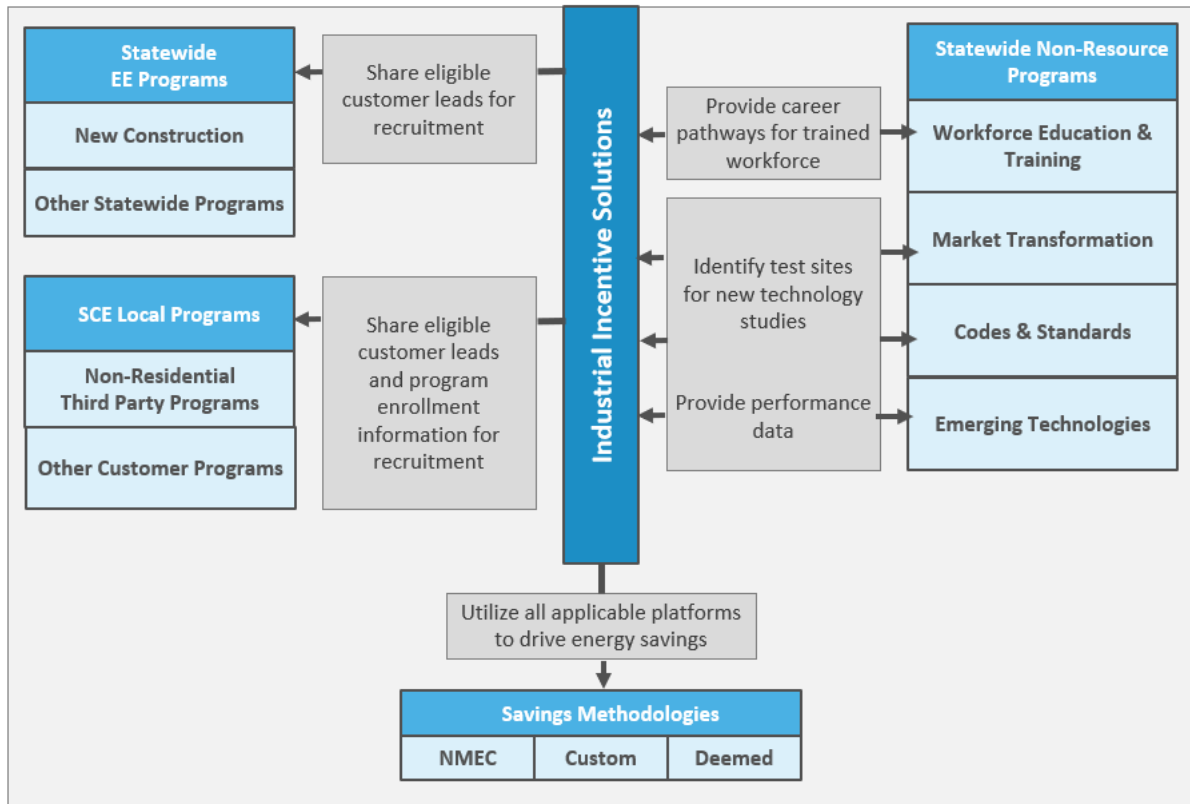
Table 7: Custom and Site-level NMEC

Measure	Unit	Incentive Level
Custom BRO/NMEC	kWh	Up to \$0.05/kWh
Custom Capital	kWh	Up to \$0.12/kWh
Electrification	therm	Up to \$5.00/therm
Low-GWP Refrigerant Change-out	lb	Up to \$225/lb

5. Diagram of Program

Below is a diagram of the IIS program:

Figure 5: Program Diagram



6. Program Measurement and Verification (M&V)

Deemed

The Program uses deemed ex-ante savings from the California eTRM. The deemed measure savings for each approved program measure are entered into the SCE reporting system and reviewed for accuracy. Additionally, other required supporting documentation collected through the Iris database, such as equipment information, will also be provided to SCE as a part of this process. IIS will also have qualifying products lists that pre-specify which equipment qualifies. As part of the monthly reporting and invoicing process, customers' measure installation data is entered into the SCE application review system and the project-specific deemed savings are calculated for each project.

Custom

The M&V approach for projects using the Custom incentive platform will be detailed in the project-level M&V Plan submitted as part of the Project Feasibility Study (PFS). Project-level M&V plans will be developed in accordance with CPUC rules, with reference to IPMVP guidance, and in coordination with SCE engineering staff.

7. Normalized Meter Energy Consumption (NMEC) Program M&V Plan

Please refer to the "SCE IIS NMEC M&V Plan.docx" for the full Normalized Metered Energy Consumption (NMEC) Program M&V Plan.

8. SEM Programs Only

N/A for the Program

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COHEN VENTURES, INC., DBA ENERGY SOLUTIONS



Program Manual

Industrial Incentive Solutions

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1.0 Introduction

Industrial Incentive Solution (“IIS” or “the Program”) is an innovative and comprehensive approach to serve large and medium industrial customers with electricity consumption greater than 200 kW in SCE’s service territory. IIS offers incentives to incorporate energy efficient equipment and technology at their facilities. Incentives are offered through midstream, custom, fuel substitution, qualified downstream deemed measures, and normalized metered energy consumption (NMEC) savings methodologies.

2.0 Eligibility Requirements

2.1 Measure Eligibility

Please see the tables in section 4 (b) Incentive Tables, Measure Packages, Software Tools of the Implementation Plan.

Each Measure that is part of Custom, NMEC, Midstream or Deemed must be a new Measure that was not previously installed or utilized.

No Measure that is part of a Project may be purchased or Installed prior to the CPUC Advice Letter Approval Date, 10/1/2025.

2.2 Customer Eligibility

The Customer served by a Project must directly receive electricity services from SCE.

The Customer must be paying the public purpose program surcharge. Customers who receive electricity from SCE, but do not pay the public purchase surcharge, such as municipal customers, are ineligible to receive incentives from the IIS program.

No Measure, Project, nor any Customer service account that is part of a Project, may use, submit, claim, or receive any rebates, discounts, incentives, or services from any other CPUC-directed or CEC-directed energy efficiency program (i.e., no “double incentives”).

For each Site where Savings are calculated utilizing the Customized Calculated Approach or the NMEC-Based Site-Specific Approach, the Site must have an annual electric demand of no less than 200 kilowatts.

Eligible sectors for the IIS program are shown in the table below.

Segment	NAICS Code	Description of Segment
Mining, Quarrying, and Oil and Gas Extraction	21	Crude and natural gas extraction, and mining
Utilities	22	Sewage Treatment, Water Supply and Irrigation, Steam and Air-Conditioning Supply

Construction	23	Concrete, Glass and Glazing, Drywall, Flooring and other contractors
Manufacturing	31-33	Food, Animal, Milling, Soft Drinks and Bakeries
Wholesale Trade	42	Paper and Paper Products, Wholesalers, Petroleum Bulk Stations
Retail Trade	44-45	Car, Boat and Tire Dealers, Home Centers, Pharmacies, Warehouse Clubs and Supercenters, Electronics and Appliances
Transportation and Warehousing	48-49	Freight Trucking, Railroads, pipeline transportation, refrigerated warehousing, and other warehouse and storage
Other Services (except Public Administration)	81	Reupholstery and furniture, Commercial and Industrial Machinery and Equipment, Industrial Launderers, linen supply, laundry supply, Cemeteries and crematories, photo finishing, other personal services, automotive repair

2.3 Project Eligibility

Project Eligibility will be determined by an approved measure(s) being implemented as listed in section 4 (b) Incentive Tables, Measure Packages, Software Tools of the Implementation Plan for participating eligible customers. New equipment must be purchased after 10/01/25 and installed within a reasonable time as deemed by the IIS program and listed below:

- Deemed Installation Requirements: If a Pre-Installation Package is required, Implementer must Install the Project within 180 days of SCE approval of the Pre-Installation Package
- Custom Installation Requirements: The Project must be Installed with
- in two (2) years of SCE approval of the Project Feasibility Study
- NMEC Installation Requirements: Projects must be Installed within 365 days of SCE approval of the Project Feasibility Study

3.0 Participating Contractors, Manufacturers, Retailers, Distributors, and Partners

Midstream

The Program works with midstream market actors to offer rebates to SCE's industrial customers. Program Participants ("Participants") for the midstream approach include industrial equipment dealers, manufacturers, and manufacturer representatives, and distributors who make sales directly to end-use customers. Participants will be expected to supply supporting sales documents that satisfy the needs of the Program and must sign the appropriate Program participation agreement to enroll.

Participants may include the following:

- **Manufacturer’s Representatives** – Market actors hired by manufacturers to drive sales, develop relationships with distributors, contractors, and large end users, and train local market actor staff on products and sales. Some manufacturers rely heavily on regional representatives for their local relationships and knowledge with no manufacturer presence in local markets. Certain representatives sell directly to contractors and end users and can participate in midstream programs. They may otherwise be referred to as ‘manufacturer reps.’
- **Distributors/Dealers** – Distributors/dealers are businesses who sell equipment to contractors. The program places the greatest emphasis on distributors and dealers since they are the entity who offers the instant discount and receives program incentives. They also actively engage with contractors, which provides an opportunity for the program to disseminate information more efficiently across the market and Trade Ally network. Distributors exist on a local and national level. Some manufacturers may also own distribution companies, acting as a vertically-integrated supply chain with the distributor organization participating in the program.

Detailed eligibility requirements for Participants are provided in the Program’s Dealer Participation Agreement (“DPA”).

In order to be eligible participants must meet the following requirements:

- Sign and return the DPA
- Participate in all Program-provided trainings
- Follow all Program requirements for eligible rebate sales and submit reimbursement claims via the online application system
- Maintain good standing in the Program

Other IIS offerings do not require contractors, manufacturers, retailers, distributors, or partners.

4.0 Additional Services

Please reference the Marketing Plan for more details.

5.0 Audits

Annual audits will be conducted for Custom and NMEC projects. Audits will collect review comments for PFS and PIRs received from SCE and CPUC to identify non-conformances. These non-conformances will be reviewed by management, which will assign actions to modify existing processes or develop new processes to improve quality. Monthly audits will be conducted for deemed measures. The Program Team will audit a 10% sample of all claims. For deemed approaches the process is detailed in the Quality Assurance Plan. At any time SCE may request to conduct an onsite or virtual audit or inspection of a Site or Project. SCE also reserves the right to request additional audits.

6.0 Program Quality Assurance Provisions

Please refer to the Quality Assurance (“QA”) Plan for details.

7.0 Other Program Metrics

There are no other program metrics

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Appendices

1. Dealer Participation Agreement
2. Quality Assurance (“QA”) Plan

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